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Western Mining in the Twentieth Century Oral History Series

Alexander M. Wilson

LEADING A CHANGING UTAH CONSTRUCTION AND MINING COMPANY:  
UTAH INTERNATIONAL, GE-UTAH, BHP-UTAH, 1954 TO 1987

With an Introduction by  
Keith Wallace

Interviews conducted by  
Eleanor Swent  
in 1996 and 1997

Since 1954 the Regional Oral History Office has been interviewing leading participants in or well-placed witnesses to major events in the development of Northern California, the West, and the Nation. Oral history is a method of collecting historical information through tape-recorded interviews between a narrator with firsthand knowledge of historically significant events and a well-informed interviewer, with the goal of preserving substantive additions to the historical record. The tape recording is transcribed, lightly edited for continuity and clarity, and reviewed by the interviewee. The corrected manuscript is indexed, bound with photographs and illustrative materials, and placed in The Bancroft Library at the University of California, Berkeley, and in other research collections for scholarly use. Because it is primary material, oral history is not intended to present the final, verified, or complete narrative of events. It is a spoken account, offered by the interviewee in response to questioning, and as such it is reflective, partisan, deeply involved, and irreplaceable.

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May 1, 1987, Alexander M. "Bud" Wilson retires as chairman of Utah International.



Cataloging information

Wilson, Alexander Murray, Jr. (b.1922)

Mining engineer, executive

LEADING A CHANGING UTAH CONSTRUCTION AND MINING COMPANY: UTAH  
INTERNATIONAL, GE-UTAH, BHP-UTAH, 1954 TO 1987, 2000, xx, 269 pp.

Tulare County background; WWII, Burma Road; UC Berkeley College of Mines; positions with Yellow Pine Mine, Stibnite, ID, and Mountain Pass Mine, CA; Utah Construction & Mining Co. from 1954, head of mining division: Lucky Mc uranium mine, Navajo Mine at Four Corners; Utah Development Co., Australia: Queensland Coal, Bowen Basin, Mt. Goldsworthy, Hay Point port, negotiations with Whitlam government, Mitsubishi; sale of construction division to Fluor, 1969; Utah International, President, 1971: difficulties of merger with GE, 1975; Escondida Mine, Chile, Peruvian nationalization of Marcona Co.; BHP-Utah, acquisition and merger, 1984-87; discusses dealings with government leaders in US, Canada, Japan, Australia, Peru, Brazil, Chile, South Africa, big game hunting, industrial health issues, Smith-Kettlewell Eye Research Foundation, family and health matters.

Introduction by Keith Wallace, President of BHP-Utah International Inc. (retired)

Interviewed in 1996 and 1997 by Eleanor Swent for the Western Mining in the Twentieth Century series. The Regional Oral History Office, The Bancroft Library, University of California, Berkeley.





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## PREFACE

The oral history series on Western Mining in the Twentieth Century documents the lives of leaders in mining, metallurgy, geology, education in the earth and materials sciences, mining law, and the pertinent government bodies. The field includes metal, non-metal, and industrial minerals. In its tenth year the series numbers thirty-five volumes completed and others in process.

Mining has changed greatly in this century: in the technology and technical education; in the organization of corporations; in the perception of the national strategic importance of minerals; in the labor movement; and in consideration of health and environmental effects of mining.

The idea of an oral history series to document these developments in twentieth century mining had been on the drawing board of the Regional Oral History Office for more than twenty years. The project finally got underway on January 25, 1986, when Mrs. Willa Baum, Mr. and Mrs. Philip Bradley, Professor and Mrs. Douglas Fuerstenau, Mr. and Mrs. Clifford Heimbucher, Mrs. Donald McLaughlin, and Mr. and Mrs. Langan Swent met at the Swent home to plan the project, and Professor Fuerstenau agreed to serve as Principal Investigator.

An advisory committee was selected which included representatives from the materials science and mineral engineering faculty and a professor of history of science at the University of California at Berkeley; a professor emeritus of history from the California Institute of Technology; and executives of mining companies. Langan Swent delighted in referring to himself as "technical advisor" to the series. He abetted the project from the beginning, directly with his wise counsel and store of information, and indirectly by his patience as the oral histories took more and more of his wife's time and attention. He completed the review of his own oral history transcript when he was in the hospital just before his death in 1992. As some of the original advisors have died, others have been added to help in selecting interviewees, suggesting research topics, and securing funds.

The project was presented to the San Francisco section of the American Institute of Mining, Metallurgical, and Petroleum Engineers (AIME) on "Old-timers Night," March 10, 1986, when Philip Read Bradley, Jr., was the speaker. This section and the Southern California section of AIME provided initial funding and organizational sponsorship.

The Northern and Southern California sections of the Woman's Auxiliary to the AIME (WAAIME), the California Mining Association, and the Mining and Metallurgical Society of America (MMSA) were early supporters. Later the National Mining Association became a sponsor. The



project was significantly advanced by a generous bequest received in November 1997 upon the death of J. Ward Downey, UC Berkeley alumnus and early member of the mining series advisory committee. His own oral history was completed in 1992. Other individual and corporate donors are listed in the volumes. Sponsors to date include nineteen corporations, four foundations, and 113 individuals. The project is ongoing, and funds continue to be sought.

The first five interviewees were all born in 1904 or earlier. Horace Albright, mining lawyer and president of United States Potash Company, was ninety-six years old when interviewed. Although brief, this interview adds another dimension to a man known primarily as a conservationist.

James Boyd was director of the industry division of the military government of Germany after World War II, director of the U.S. Bureau of Mines, dean of the Colorado School of Mines, vice president of Kennecott Copper Corporation, president of Copper Range, and executive director of the National Commission on Materials Policy. He had reviewed the transcript of his lengthy oral history just before his death in November, 1987. In 1990, he was inducted into the National Mining Hall of Fame, Leadville, Colorado.

Philip Bradley, Jr., mining engineer, was a member of the California Mining Board for thirty-two years, most of them as chairman. He also founded the parent organization of the California Mining Association, as well as the Western Governors Mining Advisory Council. His uncle, Frederick Worthen Bradley, who figures in the oral history, was in the first group inducted into the National Mining Hall of Fame in 1988.

Frank McQuiston, metallurgist for the Raw Materials Division of the Atomic Energy Commission and vice president of Newmont Mining Corporation, died before his oral history was complete; thirteen hours of taped interviews with him were supplemented by three hours with his friend and associate, Robert Shoemaker.

Gordon Oakeshott, geologist, was president of the National Association of Geology Teachers and chief of the California Division of Mines and Geology.

These oral histories establish the framework for the series; subsequent oral histories amplify the basic themes. After over thirty individual biographical oral histories were completed, a community oral history was undertaken, documenting the development of the McLaughlin gold mine in the Napa, Yolo, and Lake Counties of California (the historic Knoxville mercury mining district), and the resulting changes in the surrounding communities. This comprises forty-three interviews.

Future researchers will turn to these oral histories to learn how decisions were made which led to changes in mining engineering education, corporate structures, and technology, as well as public policy regarding minerals. In addition, the interviews stimulate the deposit, by interviewees and others, of a number of documents, photographs, memoirs, and other materials related to twentieth century mining in the West. This collection is being added to The Bancroft Library's extensive holdings. A list of completed and in process interviews for the mining series appears at the end of this volume.

The Regional Oral History Office is under the direction of Willa Baum, division head, and under the administrative direction of The Bancroft Library.

Interviews were conducted by Malca Chall and Eleanor Swent.

Willa K. Baum, Division Head  
Regional Oral History Office

Eleanor Swent, Project Director  
Western Mining in the Twentieth  
Century Series

January 1998  
Regional Oral History Office  
University of California, Berkeley





## Western Mining in the Twentieth Century Oral History Series

Interviews Completed, March 2000

Horace Albright, *Mining Lawyer and Executive, U.S. Potash Company, U.S. Borax, 1933-1962, 1989*

Samuel S. Arentz, Jr., *Mining Engineer, Consultant, and Entrepreneur in Nevada and Utah, 1934-1992, 1993*

James Boyd, *Minerals and Critical Materials Management: Military and Government Administrator and Mining Executive, 1941-1987, 1988*

Philip Read Bradley, Jr., *A Mining Engineer in Alaska, Canada, the Western United States, Latin America, and Southeast Asia, 1988*

Catherine C. Campbell, Ian and Catherine Campbell, *Geologists: Teaching, Government Service, Editing, 1989*

William Clark, *Reporting on California's Gold Mines for the State Division of Mines and Geology, 1951-1979, 1993*

John Robert Clarkson, *Building the Clarkson Company, Making Reagent Feeders and Valves for the Mineral Industry, 1935 to 1998, 1999*

Norman Cleaveland, *Dredge Mining for Gold, Malaysian Tin, Diamonds, 1921-1966; Exposing the 1883 Murder of William Raymond Morley, 1995*

James T. Curry, Sr., *Metallurgist for Empire Star Mine and Newmont Exploration, 1932-1955; Plant Manager for Calaveras Cement Company, 1956-1975, 1990*

Donald Dickey, *The Oriental Mine, 1938-1991, 1996*

J. Ward Downey, *Mining and Construction Engineer, Industrial Management Consultant, 1936 to the 1990s, 1992*

Warren Fenzi, *Junior Engineer to President, Director of Phelps Dodge, 1937 to 1984, 1996*

Hedley S. "Pete" Fowler, *Mining Engineer in the Americas, India, and Africa, 1933-1983, 1992*

- James Mack Gerstley, *Executive, U.S. Borax & Chemical Corporation; Trustee, Pomona College; Civic Leader, San Francisco Asian Art Museum*, 1991
- Robert M. Haldeman, *Managing Copper Mines in Chile: Braden, CODELCO, Minerec, Pudahuel; Developing Controlled Bacterial Leaching of Copper from Sulfide Ores; 1941-1993*, 1995
- John F. Havard, *Mining Engineer and Executive, 1935-1981*, 1992
- Wayne Hazen, *Plutonium Technology Applied to Mineral Processing; Solvent Extraction; Building Hazen Research; 1940-1993*, 1995
- George Heikes, *Mining Geologist on Four Continents, 1924-1974*, 1992
- Helen R. Henshaw, *Recollections of Life with Paul Henshaw: Latin America, Homestake Mining Company*, 1988
- Homestake Mine Workers, Lead, South Dakota, 1929-1993*, interviews with Clarence Kravig, Wayne Harford, and Kenneth Kinghorn, 1995
- Lewis L. Huelson, *Manager of Gold and Chrome Mines, Spokesman for Gold Mining, 1935-1974*, 1988
- William Humphrey, *Mining Operations and Engineering Executive for Anaconda, Newmont, Homestake, 1950 to 1995*, 1996
- Hugh C. Ingle, Jr., *Independent Small Mines Operator, 1948 to 1999; Corona Mine*, 2000
- James Jensen, *Chemical and Metallurgical Process Engineer: Making Deuterium, Extracting Salines and Base and Heavy Metals, 1938-1990s*, 1993
- Arthur I. Johnson, *Mining and Metallurgical Engineer in the Black Hills: Pegmatites and Rare Minerals, 1922 to the 1990s*, 1990
- G. Frank Joklik, *Exploration Geologist, Developer of Mt. Newman, President and CEO of Kennecott, 1949-1996; Chairman, Salt Lake 2002 Olympic Winter Games Committee*, 1997
- Evan Just, *Geologist: Engineering and Mining Journal, Marshall Plan, Cyprus Mines Corporation, and Stanford University, 1922-1980*, 1989
- Robert Kendall, *Mining Borax, Shaft-Freezing in Potash Mines, U.S. Borax, Inc., 1954-1988*, 1994
- The Knoxville Mining District, The McLaughlin Gold Mine, Northern California, Volume I*, 1998
- Anderson, James, "Homestake Vice President-Exploration"
- Baker, Will, "Citizen Activist, Yolo County"
- Birdsey, Norman, "Metallurgical Technician, McLaughlin Process Plant"
- Bledsoe, Brice, "Director, Solano Irrigation District"

*The Knoxville Mining District, The McLaughlin Gold Mine, Northern California, Volume II, 1998*

- Cerar, Anthony, "Mercury Miner, 1935-1995"
- Ceteras, John, "Organic Farmer, Yolo County"
- Conger, Harry, "President, Chairman, and CEO, Homestake Mining Company, 1977 to 1994"
- Corley, John Jay, "Chairman, Napa County Planning Commission, 1981 to 1985"
- Cornelison, William, "Superintendent of Schools, Lake County" (Includes an interview with John A. Drummond, Lake County Schools Attorney)

*The Knoxville Mining District, The McLaughlin Gold Mine, Northern California, Volume III, 1998*

- Crouch, David, "Homestake Corporate Manager-Environmental Affairs"
- Enderlin, Elmer, "Miner in Fifty-Eight Mines"
- Fuller, Claire, "Fuller's Superette Market, Lower Lake"
- Goldstein, Dennis, "Homestake Corporate Lawyer"
- Guinivere, Rex, "Homestake Vice President-Engineering"

*The Knoxville Mining District, The McLaughlin Gold Mine, Northern California, Volume IV, 1998*

- Gustafson, Donald, "Homestake Exploration Geologist, 1975-1990"
- Hanchett, Bonny Jean, "Owner and Editor, Clearlake Observer, 1955-1986"
- Hickey, James, "Director of Conservation, Development, and Planning for Napa County, 1970 to 1990"
- Jago, Irene, "The Jagos of Jago Bay, Clear Lake"
- Jonas, James, "Lake County Fuel Distributor"
- Koontz, Dolora, "Environmental Engineer, McLaughlin Mine, 1988-1995"

*The Knoxville Mining District, The McLaughlin Gold Mine, Northern California, Volume V, 1998*

- Kritikos, William, "Operator, Oat Hill Mine"
- Landman, John, "Rancher, Morgan Valley"
- Lyons, Roberta, "Journalist and Environmentalist"
- Madsen, Roger, "Homestake Mechanical Engineer"
- Magoon, Beverly, "Merchant and Craft Instructor, Lower Lake"
- McGinnis, Edward, "Worker at the Reed Mine"

*The Knoxville Mining District, The McLaughlin Gold Mine, Northern California, Volume VI, 1999*

- Robert McKenzie, "McKenzies in Monticello, Berryessa Valley"
- Harold Moskowitz, "Napa County Supervisor"
- Marion Onstad, "Neighbor and Employee of the McLaughlin Mine, 1980-1995"
- Ronald Parker, "Resident Manager of the McLaughlin Mine, 1988-1994"
- Richard Stoehr, "Homestake Engineer and Geologist to Senior Vice-President and Director"
- Joseph Strapko, "Exploration Geologist, McLaughlin Mine Discovery, 1978"

Marian Lane, *Mine Doctor's Wife in Mexico During the 1920s*, 1996

- J. David Lowell, *Using Applied Geology to Discover Large Copper and Gold Mines in Arizona, Chile, and Peru*, 1999
- Plato Malozemoff, *A Life in Mining: Siberia to Chairman of Newmont Mining Corporation, 1909-1985*, 1990
- James and Malcolm McPherson, *Brothers in Mining*, 1992
- Frank Woods McQuiston, Jr., *Metallurgist for Newmont Mining Corporation and U.S. Atomic Energy Commission, 1934-1982*, 1989
- Gordon B. Oakeshott, *The California Division of Mines and Geology, 1948-1974*, 1988
- James H. Orr, *An Entrepreneur in Mining in North and South America, 1930s to 1990s*, 1995
- Vincent D. Perry, *A Half Century as Mining and Exploration Geologist with the Anaconda Company*, 1991
- Patrick Purtell, *Maintenance and Management at the McLaughlin Mine, 1985 to 1997*, 1999
- Carl Randolph, *Research Manager to President, U.S. Borax & Chemical Corporation, 1957-1986*, 1992
- John Reed, *Pioneer in Applied Rock Mechanics, Braden Mine, Chile, 1944-1950; St. Joseph Lead Company, 1955-1960; Colorado School of Mines, 1960-1972*, 1993
- Joseph Rosenblatt, *EIMCO, Pioneer in Underground Mining Machinery and Process Equipment, 1926-1963*, 1992
- Eugene David Smith, *Working on the Twenty-Mule Team: Laborer to Vice President, U.S. Borax & Chemical Corporation, 1941-1989*, 1993
- Simon Strauss, *Market Analyst for Non-ferrous Metals and Non-metallic Minerals, Journalist, Mining Corporation Executive, 1927-1994*, 1995
- Langan W. Swent, *Working for Safety and Health in Underground Mines: San Luis and Homestake Mining Companies, 1946-1988*, 1995
- James V. Thompson, *Mining and Metallurgical Engineer: the Philippine Islands; Dorr, Humphreys, Kaiser Engineers Companies; 1940-1990s*, 1992
- William Wilder, *Owner of One Shot Mining Company: Manhattan Mercury Mine, 1965-1981*, 1996
- Alexander M. Wilson, *Leading a Changing Utah Construction and Mining Company: Utah International, GE-Utah, BHP-Utah, 1954 to 1987*, 2000

Interviews In Process

Frank Aplan, metallurgist  
Harry M. Conger, Kaiser, Homestake  
Raymond Krauss, "Environmental Manager, McLaughlin Mine"  
John Livermore, geologist  
Peter Scribner, "Knoxville Mine, 1941-1944"  
Robert Shoemaker, metallurgist  
Jack Thompson, "General Manager, McLaughlin Mine, 1981-1988"  
Twyla Thompson, "County Supervisor, Yolo County"  
Avery Tindell, "Capay Valley Environmentalist"  
John Turney, "McLaughlin Metallurgist: Pioneering Autoclaving for Gold"  
Della Underwood, "Knoxville Rancher, McLaughlin Mine Surveyor"  
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INTRODUCTION by Keith Wallace

I have known Bud Wilson for forty-nine years. Except for three of those years we worked in the same organizations, and Bud was my boss for much of the time.

Bud was a young metallurgist, working in the antimony smelter at the Bradley Mining Company's Yellow Pine Mine at Stibnite, Idaho, when we first met. I was a mining engineer just out of college, starting my first job. Stibnite was located in the rugged mountains of central Idaho. Like so many mining camps it now is a ghost town, but in those days (1950) it was a significant producer of antimony oxide and gold. During World War II it was the largest producer of tungsten for the war effort.

By 1951, ore reserves at Stibnite were running out. Bud saw the handwriting on the wall, and Bud, Beverlee and their three very young daughters left Stibnite to go to a mine in southern Nevada.

The close relationships forged among several employees at the Yellow Pine Mine became evident in the mid-1950s. Tony Mecia, a senior executive in Bradley Mining Company's Idaho operations, went to work at Utah Construction Company in San Francisco. Tony, over several years, brought into Utah Construction Company several of his former Idaho colleagues, including Bud Wilson and me. Under Tony Mecia, for the first time, Utah Construction--which historically was a major engineering and heavy construction company--had the nucleus of a mining organization.

Starting out as a metallurgist at an iron ore mine on Vancouver Island, Bud soon transferred into the San Francisco headquarters office of the company and headed up the company's move into uranium mining and milling. This grew into two successful mining and milling operations in Wyoming--Lucky Mc and Shirley Basin.

Tragedy struck in 1960 when Tony Mecia died in an airplane accident. This was a great loss, not only for the company but also for those of us who had known and worked for Tony in Idaho and in the Utah Construction Company organization. He had a loyal and devoted following.

In due course, Bud Wilson was named to head the newly formed Mining Division of the company. Bud is a rather modest fellow, not inclined to blow his own horn, but over the years that followed the company achieved unparalleled success in the mining industry. The two greatest achievements, both extremely profitable, were a group of five

coking coal mines in Queensland, Australia, followed at the end of Bud's career by the Escondida copper mine in Chile.

As the company's growth as well as its markets were largely overseas, it was vitally important that its public image be spotless and its local relationships be excellent--Yankee bashing unfortunately can be all too common. Under Bud's leadership this was achieved. Particularly, Utah's relationships with government officials in Australia were very good, and the public view of the company generally was good. Our relationships with our biggest customers, the Japanese steel mills, could best be described as remarkable. For example, our long term sales contracts with the Japanese steel mills covered the basic understandings between the parties, but if either side had problems we would sit down together and agree upon changes outside of the contract. It was a unique relationship that I have not seen elsewhere, and one that reflected trust in the integrity of the top management of both buyer and seller. I have been with Bud in Tokyo on numerous occasions and have experienced the positive results of his leadership.

Although I have never heard Bud complain about the sale of Utah to General Electric Company in 1975, I'm sure it must have been a disappointment to him. He was the obvious choice to become CEO of Utah as a publicly owned company, and it's not quite the same to be the head of a subsidiary of another company, such as General Electric, and later The Broken Hill Proprietary Company Limited. However, as it turned out, Bud was able to establish close working relationships with the senior managements of both GE and BHP and the Utah organization was able to continue to prosper and grow. The people in the Utah organization owe a great debt of gratitude to Bud and his ability to keep things on an even keel through two pretty traumatic periods.

Until recently Bud was very involved in big game hunting, particularly in Africa where he shot all kinds of animals--from impalas to elephants. In fact, he has so many mounted trophies that there isn't nearly enough room to display them all in his home and at his ranch in the Sierra foothills. I recall that when he returned from a hunt he would relate some of his experiences to the people in the office--seemingly not aware of the squeamishness of his partly feminine audience. To his credit, the negative vibes eventually did sink in because the detailed hunting accounts finally ended.

One thing can be said about Bud--he knows when to seek help, and where to find it. Back in 1996 our first Queensland, Australia, coking coal mine was under construction, and all of the production was committed to the Japanese steel mills under long term contract. However, it was becoming apparent that we controlled enormous reserves of high-grade metallurgical coal that should lead to greatly expanded production. Dependency on one market obviously was not prudent, so Bud

and I went to Europe to introduce our new source of coal to the European steel companies. The Bank of America set up meetings for us in Italy, Spain, France, and Holland, but basically we went in cold. We had little understanding of the European steel industry or its existing coal sources and supply contracts. Part of the time we didn't even know who we were talking to, and I'm afraid we did not help our cause very much. Our potential customers were left scratching their heads. Anyway, it didn't take Bud very long to decide we badly needed help, and we retained the services of an excellent London-based minerals marketing group. All's well that ends well, and before long Europe became a very important market for us.

One of Bud's attributes that is particularly admirable is his loyalty to friends and associates. People who have been straightforward and loyal to him will get the same in return. As an example of this, in March 1999 Bud and Beverlee cut short their vacation in Hawaii to travel to Wyoming to attend funeral services for two longtime friends. The association with one of the friends went back more than fifty years, the other more than forty years. I'm sure the families of both friends greatly appreciated the Wilsons' thoughtfulness.

Bud is a UC Berkeley graduate, and I'm from Stanford, so through the years we have had a standing bet on the outcome of the Big Game. Because Stanford generally has had the better football team in recent years, my liquor inventory has benefited considerably, courtesy of Mr. Wilson. Naturally, I look forward to continuation of this pattern.

The Wilsons and Wallaces (including spouses) have experienced many good times together--including fly fishing in such places as Montana, Alaska, New Zealand, Russia, Chile, Mexico, and Christmas Island. We look forward to more such adventures in the future.

Keith Wallace  
President (retired), BHP-Utah  
International, Inc.

Hillsborough, California  
February 1999



## INTERVIEW HISTORY--Alexander Wilson

Alexander Murray Wilson, Jr., distinguished alumnus of the University of California's College of Mining, was at the head of the company known as "Utah" during three decades of its transformation from a largely family-owned and local construction company to an international company listed on the New York Stock Exchange which then merged with two other multinational giants. The merger with GE in 1976 was the largest corporate purchase in U.S. history up to that time. He was a potential interviewee from the inception of the oral history series on Western Mining in the Twentieth Century, but we had to wait until he was well into his retirement for him to have the time or the desire to reflect on this enormously challenging career.

After several years of entreaties, Mr. Wilson, known to everyone as "Bud," accepted our invitation to participate in the oral history project. Then began the process of scheduling interviews with a man who had finally been relieved of the tyranny of schedules. He was enjoying playing golf, taking bridge lessons with his wife Beverlee, and relaxing with daughters and grandchildren at the ranch near Porterville or the vacation home in Hawaii. He went grouse shooting in Scotland and fishing in Siberia. Who would want to sit down with a tape recorder and go over the past when the present was so delightful?

As the interviewer, I felt a certain amount of guilt for intruding on his leisurely retirement; on the other hand, this was a key figure in one of the most active companies at one of the most exciting times in the history of Western mining, and it was important for his life story to be documented. He was the first person not related to one of the founders to head one of America's great mining companies, known simply as "Utah". It began as Utah Construction Company, which grew out of the Western railroad boom in the nineteenth century and matured as a builder of San Francisco's O'Shaughnessy Dam, the Hoover Dam, Bonneville Dam, and Grand Coulee Dam. Other major construction work included the San Francisco-Oakland Bay Bridge, the Alcan Highway, and military installations during World War II.

When Bud joined the company in 1954, it was about to become Utah Construction and Mining Company, mining coal and iron and expanding into the burgeoning field of uranium mining; he headed the mining division from 1963. Iron mining in Peru as Marcona Company led to major shipping enterprise. Utah's construction in Australia of the Eildon Weir and Snowy Mountain Scheme projects led to Bowen Basin coal mining and establishment of Utah Development Company and Queensland Coal Company as Australian subsidiaries; today Utah's coal mines are crucial to the Australian economy and the Japanese steel industry. In Chile, Utah developed one of the world's greatest copper mines, La Escondida. Bud



Wilson became president in 1971, four years before the merger with General Electric, served through the GE era, and continued on as chairman and chief executive officer through the subsequent amalgamation with BHP which became final in 1987.

I first explored the idea of the Wilson interviews during visits to his office in San Francisco, eventually receiving his verbal consent in April 1989. We corresponded from time to time until 1994 when he signed and returned our invitation letter. In April 1996, Bud came to the campus for lunch and a planning session. Seven interviews were conducted on 19 June 1996, 9 and 12 July 1996, 19 and 22 November 1996, 30 and 31 July 1997.

Tim de Wolfe, librarian at Utah's office at 550 California Street, San Francisco, helped in supplying me with stacks of documents covering thirty years of company history and letting me take notes at one of his computers. James Curry, Jr., Wilson's successor at Utah, gave me a useful book, Utah and Queensland Coal, A Study in the Micropolitical Economy of Modern Capitalism and the State, by Brian Galligan [University of Queensland Press, Australia, 1989]. This gave insight into the impact of Utah's enterprise on the relatively unsophisticated government of Queensland.

The interviews were all held at the Wilson home, "Los Robles," in Los Altos Hills, California. It is a contemporary style house, set among oak trees, with unpainted woodwork and walls of glass. Trophies of hunts--huge elephant tusks, stuffed elephant feet, a cheetah skin--mingle with Japanese art objects. Most of the furniture is ultra-modern, but the dining room set is antique California mission. The upstairs office where we met is furnished with all the very latest electronic equipment. My notebook has these scheduling notes:

1/6/97, going to Hawaii, then Egypt; back 2/16  
6/97, to Hong Kong  
8/97, to Scotland for grouse shooting  
8/97, to Montana, fishing

and this comment on one interview: "session exceptionally good in spite of competition from Faxes, phones, lawn-mowers, and woodpeckers." Another session was briefly and pleasantly interrupted by a small grandson curious about what was going on.

Bud Wilson greets people with an outstretched hand and a friendly "Hi." He is well over six feet tall and loose-jointed, obviously an outdoorsman. He must be very healthy; he has survived, as he tells in his oral history, a good number of threats to life: World War II combat in China; targeting by a terrorist organization; malaria, heavy-metal poisoning, hepatitis, and salmonella, as well as knee surgery and a horse-riding accident. His manner is open, friendly, and very "Western". It is understandable that he got along so well in Australia; he must have been quite conspicuous in Japan.



After graduation from UC, Bud worked for Bradley Mining Company at the Yellow Pine tungsten mine, in Stibnite, Idaho, becoming a shift foreman at the smelter. He claims he was hired because his bride, Beverlee, was also available to teach school. They lived in a house built of two boxcars, with a wood stove for cooking; he was paid \$360 a month. From there they moved to a Molycorp rare-earth-oxide mine in the California desert east of Barstow, where they lived with their three young children in a trailer. Then he, along with other friends from Stibnite, was recruited to join Utah's expanding operations. The loyal group of friends from Stibnite days--Clarkson, DeMoss, Wallace, and Wilson families--holds together to this day. They celebrate fiftieth wedding anniversaries and other good times together, and last year the men served in Horseshoe Bend, Idaho, as pallbearers for Edna Clarkson.

As this is written, the offices of BHP in the United States are being closed. A few employees have relocated to Melbourne, but most of the former "Utah people" are looking for a job or taking early retirement. The names of the Utah founders and heirs--Dee, Eccles, Littlefield, Wattis-- still appear on lists of philanthropists, but the major source of their wealth has left America in a historic shift. Historians of mining and the American West will welcome Wilson's account of his career; business historians will enjoy an inside look at the executive style of GE's CEO Jack Welch as experienced by Bud Wilson during the GE era.

The introduction was written by Keith Wallace, long-time friend and colleague and retired president of BHP-Utah International Inc., who also gave me a very helpful background interview by telephone. BHP-Utah and J. Robert Clarkson provided funding for the Wilson oral history.

The tapes of the Alexander Wilson interviews were transcribed by the Regional Oral History Office, and the lightly edited transcript was sent to him for review in September 1997. In November 1998, he reported that he was half way through with the review. On 27 January 1999, Bud and Beverlee came to the campus to deliver the reviewed transcript and we had a celebration lunch together. He had made a few corrections of factual detail, particularly of his wartime experience, and softened some of the language. The interviews were corrected, amended, and indexed at our office. The tapes are deposited in The Bancroft Library and are available for study. There was a protracted hunt for suitable photos before the volume could be completed for public presentation at the May 2000 meeting of the California Mining Association.

The Regional Oral History Office was established in 1954 to augment through tape-recorded memoirs the Library's materials on the history of California and the West. Copies of all interviews are available for research use in The Bancroft Library and in the UCLA Department of Special Collections. The office is under the direction of Willa K. Baum, Division Head, and the administrative direction of

Charles B. Faulhaber, James D. Hart Director of The Bancroft Library,  
University of California, Berkeley.

Eleanor Swent, Senior Editor  
Regional Oral History Office

The Bancroft Library  
Berkeley, California  
March 2000

Regional Oral History Office  
Room 486 The Bancroft Library

University of California  
Berkeley, California 94720

BIOGRAPHICAL INFORMATION

(Please write clearly. Use black ink.)

Your full name Alexander MURRAY Wilson JR

Date of birth May 17, 1922 Birthplace TULARE, CALIFORNIA

Father's full name Alexander MURRAY Wilson

Occupation Farmer Birthplace TULARE, CAL

Mother's full name Ethel Grace Creech

Occupation Teacher Birthplace Tipton, CAL

Your spouse BEVERLY ELAINE FORSLAND

Occupation Teacher Birthplace Delano, CALIF

Your children Shelley BLAIR, Kristin Holley Hull,  
ALEXIS ELAINE

Where did you grow up? Tulare Calif.

Present community LOS ALTOS Hills, CAL

Education BS Univ Calif, Berkeley

Occupation(s) Mining Company Executive

Areas of expertise Mine Management

Other interests or activities Fishing, hunting, & Hunting  
Golf

Organizations in which you are active Smith-Kittling's Eye  
Research Institute



## INTERVIEW WITH ALEXANDER WILSON

## I GROWING UP IN TULARE, CALIFORNIA, 1922-1941

[Interview 1: June 19, 1996] ##<sup>1</sup>

Swent: I think the place to start is the very beginning. You want to say where and when you were born and then let's talk a little bit about the Manleys and your family.

Wilson: I was born in Tulare, 1922. I don't remember much until about age four or five. My parents were divorced when I was six years old. The man in my life was my maternal grandfather, Frank Creech, who took the place of my father.

Grandfather Frank Creech

Swent: Did you live with your grandparents?

Wilson: I did, I spent the summers with them. I think shortly after the divorce probably Mother and I lived with the grandparents for a year or two, but that's pretty foggy.

Swent: How big a town was Tulare?

Wilson: Those days, Tulare was about 12,000. We spent most of the time on Grandfather's ranch which was west of Tipton, which would put it about fifteen miles from Tulare. And that's where some of the greatest influences in my life occurred. Grandfather Creech was a very warm, honest farmer. Educated in Stockton, went to Stockton Business School, 1870, something or other. I had a great childhood.

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<sup>1</sup>## This symbol indicates that a tape segment has begun or ended. A guide to the tapes follows the transcript.

I finally became reacquainted with my father later on, around the time I went into the army. Finally Father and Mother became friends; I saw a lot of him. After the war then Dad became part of our family. Bev thought a great deal of him and he spent a lot of time with us, so everything worked out fine.

Swent: Do you have brothers and sisters?

Wilson: No. I'm the only one. Raised essentially by my mother who was a schoolteacher. She was educated at San Francisco State College. I guess one of the greatest influences in my life was to have a mother who from the outset took it as a known that I was going to go to a university. No question about it, that was it.

Swent: It seems to me it might have been a little unusual that your grandfather had gone to college. Farmers didn't always go to college at that time, did they?

Wilson: Grandfather's father and mother came from Virginia. They arrived in California about 1849, I think 1848 they came into Monterey. Grandfather's father and his brother operated the mercantile store, department store in Stockton that supplied the gold fields.

Swent: What was the name of it, do you know? Was it the Creech Store?

Wilson: Don't know. No, I don't think so. That's one part of genealogy search that I haven't really launched on, I'm sure I could find out. What Grandfather's parents' education was, I don't know. He went to Stockton Business School. Then, when the land began to become available for homesteading when the Southern Pacific Railroad was being built through the San Joaquin Valley, Great-Grandfather Creech went down there, bought land, and then started farming. That must have been 1870.

Swent: Had they been farmers in Virginia?

Wilson: I think so.

### Great-Uncle William Manley, Hero of Death Valley

Swent: Where did the Manley connection come in?

Wilson: William Manley married my grandfather's mother's sister. William Manley was a fellow born and raised in Vermont who left home and went west, and west in those days was, to him anyway, was Michigan. He hunted and trapped in Michigan, during his time

there developed a great fear of Indians. He did a lot of writing after he reached California. Throughout his books he evidences concern about the Indians, but anyway, William Manley and a fellow named Bennett left Michigan, Wisconsin or someplace up there, decided to go to California.

They got as far as the Sweetwater River in Wyoming, west of South Pass. They built a raft or they found a raft, and they killed their horses and jerked the meat, and started floating down the Green River. They got upended in Flaming Gorge and were rescued by the Indians. Took them to the Mormon Settlement, what is now Salt Lake City. In Ogden they joined a wagon train. They found a wagon train on which they had put their personal belongings, like clothes, and firearms, and ammunition and stuff when they took off on horseback. Then they joined another wagon train; when they got down to Death Valley, the wagon train got stuck there. Manley and Bennett walked from Death Valley to what is now Pasadena, and then back tracked up to El Tejon where they got pack animals and supplies, and they walked back into Death Valley and got the people out. He wrote a book called Death Valley Days in '49.

Swent: He was an authentic hero.

Wilson: You could say so. And he lived in San Jose. My family, Mother and her sister spoke of him with great reverence, "Uncle Manley."

Swent: They had known him. One thing about that story that impressed me was that the families that stayed there were not at all sure that Uncle Manley and Bennett wouldn't just go up to the gold fields and forget them, and not come back.

Wilson: That's right, but they had no alternative, they were stuck.

Swent: But I mean that Manley and Bennett, once they got out alive they had no obligation to return and help those people, other than just a moral one.

Wilson: Well don't you imagine in those days, in those kind of situations they did feel an obligation to go back. It wasn't something that he took--it's hard to imagine the courage and fortitude that it took to accomplish something like that.

Swent: It's a marvelous story. Good one to be raised on I would say. So he married your grandfather's sister.

Wilson: Ended up being my grandfather's uncle, that was the connection. Great grandmother's family name was Woods. Some place around here I have some genealogy on the Woods family. One of the Woods



family's claim to fame I guess was that one of the female ancestors married Daniel Boone's son. [laughter]

Swent: That's pretty impressive.

Wilson: Well, that's really not very interesting, that kind of stuff.

### The Wilson Family

Swent: Is there anything interesting about the Wilson family?

Wilson: I don't know much about them. The Wilsons came over from Scotland. Alexander Murray Wilson, I'm told--I haven't authenticated this--came from Scotland via Ireland. After the Scots lost one of the wars to the British, I don't know which, I haven't really followed that, there were three Alexander Murray Wilsons who arrived in the colonies before the revolutionary war. I haven't been able to pinpoint it; I'm going to try to do that. My father always said that the ancestor left Scotland ahead of the headsman's axe, or something like that.

Swent: Did your father live around Tulare also?

Wilson: Yes, he lived in Tulare, he spent quite a bit of time with us here.

Swent: And your mother taught school.

Wilson: My paternal grandfather was a doctor in Tulare. He was born in New York, got his degree in Chicago, married my grandmother, Emma Lang, in Cape Girardeau, Missouri. So you can see with that kind of background I was raised on tales of crossing the plains in covered wagons and cowboys and Indians, and all sorts of great and exciting things for a young fellow.

### Mother Grace Ethyl Creech Wilson

Swent: You said your mother put a good emphasis on education.

Wilson: Sure did.

Swent: What did she teach?

Wilson: She taught in grade school; she taught eighth grade English, both grammar and literature, and her interest was English literature. One of the things she took great delight in, which as far as I was concerned was bad, I skipped the seventh grade, I think it was. So I was always a year younger than my classmates, and that sure put a crimp in my romance when I was in high school. That was terrible.

Swent: Was she your teacher in the eighth grade?

Wilson: No, no, she wasn't.

Swent: It's interesting; a lot of people at that time did skip a year, didn't they? If you were very bright you were just moved up a year.

Wilson: Which was sure bad on the kids from a social point of view; gee, it's terrible.

Swent: You thought that was hard on you?

Wilson: Sure was.

Swent: In what way?

Wilson: Well, you know, I was not physically as developed as the boys a year older than I, so when it came to sports I was kind of on the tag end of things. I was younger than the girls in the class so it was hard to get connected. It wasn't until I got out of high school that I really began to catch up with kids my own age.

Swent: You're very tall; were you tall as a young boy?

Wilson: Yes. Height wasn't--but you know, when you're a freshman in high school, athletic ability, if you're a year younger than everybody else you just don't have the ability to compete.

Swent: What sports did you like?

Wilson: Oh, I liked football.

Swent: So what else did you do in high school?

Wilson: What did I do in high school? Oh, I took up archery. I was the runner-up State Champion in 19--State Junior Archery Champion in 1938 I guess it was. What else did I do, I hunted and fished I guess. I had a friend with whom I would fish in the Sierra. Fishing season started in the first of May so we would always ditch school and take a week off, go fishing.

Swent: What was his name?

Wilson: Don Bergance. Still lives in Tulare.

Swent: Your mother let you do that?

Wilson: No, I just did it.

Swent: You did it anyway.

Wilson: She was always terribly upset at all that stuff.

Swent: Did you camp?

Wilson: Yeah. On two or three occasions we rented a pack horse and walked back in a couple of days, in the Sierras, fished. We were serious fishermen.

### The Depression

Swent: Did the Depression have a big effect on your life?

Wilson: I think it did. With my mother teaching and Grandfather farming, you really didn't feel the effects of lack of money; we always had plenty to eat, automobiles. It's hard for me to say looking back. We were generally more economically well off than a lot of people were. What effect it had on me, I don't know.

Swent: There were people coming in from the Middle West in those years to regions like Tulare, weren't there?

Wilson: Oh yes, the big influx of folks came from Oklahoma and Texas during the dustbowl.

Swent: You must have been aware of that.

Wilson: Oh, sure. One of those families went to work for my grandfather on the ranch. Raised the children there, they all became successful farmers, third generation folks from that family farming there still.

I knew all that was going on but I always had a dime to go to the movies once a week. Plenty of good food, good clothes, so I was fortunate.

Swent: What were the movies you liked?

Wilson: Cowboys and Indians.

Swent: And you mentioned cars; I'm always interested in what kind of cars people had. When did you start driving?

Wilson: As soon as I could, what would that have been, age thirteen, fourteen, I don't know. Model A coupe with a rumble seat; boy, that was a neat car.

Swent: Did your mother drive?

Wilson: Yes, that was my mother's car.

Swent: Rumble seats were a great thing, weren't they?

Wilson: Grand-dad, Grandfather, always had a Buick; he liked Buicks. One family trip that we took during Prohibition, my grandfather and my uncle Art Patterson decided they wanted to go to Canada where they could get plenty of booze. We drove to Vancouver. I was just a little squirt. I remember that coming back at the border, Grand-dad and Uncle Art had each a bottle of whiskey, and the customs fellow wouldn't let him bring it into the country. It was either pour it out or drink it, so he drank it. And then they played baseball all afternoon to wear it off. I thought that was great.

Swent: You haven't mentioned your grandmother; was she in the picture?

Wilson: Oh yes, Grandmother Creech was very much in the picture. Grandmother Wilson was very much in the picture when I was young, probably--the two grandmothers, as I recall, fought each other tooth and nail and that probably was a cause of the divorce of my parents. But who knows.

Swent: This trip to Canada; was the grandmother along on that?

Wilson: Oh yes, the whole family. There was Mother and I, Grand-dad, Grandmother, Mother's sister, Rita Patterson, and her husband. There was probably someone else along too; seemed to me there were three cars. Each family had an automobile; there were three or four cars.

Swent: That must have been a memorable trip.

Wilson: I can't remember how old I was. When was Prohibition repealed, do you remember?

Swent: Was it '32, something like that? I'm not sure. Early thirties. Did you do things like Boy Scouts or church?

Wilson: Oh, yes, went to Boy Scouts; it was kind of tough living on a ranch twelve miles from town, but we made it. I was in the Boy Scouts two or three years but I think I dropped out because it was so hard to get into town. So that wasn't a big factor in my life.

Swent: Did you go to church?

Wilson: Occasionally, not regularly; went to Sunday School. But again because we were out on a ranch, in those parts when I was young--

Swent: When you were in high school were you living in town?

Wilson: I lived in town in high school. We'd go to church occasionally, but it was not a big part of our life.

Swent: Did you get good grades?

Wilson: Yes, I got good grades.

Swent: Your mother saw to it?

Wilson: Yes. Graduated in 1939. I was good at math and I liked sciences. There was a great debate at that time on what I should do, and finally I went to Visalia Junior College, which is a pretty darn good thing, being as young as I was. Seventeen and probably younger than most kids at seventeen.

Swent: When is your birthday?

Wilson: May 17. So I guess I was two years at Visalia Junior College.

#### Visalia Junior College

Swent: Did you commute there?

Wilson: Yes, from Tulare, about twelve, thirteen miles.

Swent: And you drove every day?

Wilson: Yes.

Swent: The war was on the horizon.

Wilson: It sure was.

Swent: Were you aware of that?

Wilson: Oh, yes.

Swent: In what way?

Wilson: Well, from the news.

Swent: Were any of your high school friends enlisting right away?

Wilson: Probably about that time. Then I must have gone and started Berkeley in '41. Fall of '41, that's not right.

Swent: Well, let's see, if you graduated from high school in '39 and went to Visalia for the year.

Wilson: Maybe I went to Visalia one year.

Swent: That was 1939, 1940.

Wilson: I guess I started at Berkeley in '41 and then I left in '42; would that have been right?

Swent: I'm trying to think; '39 to '40 you were at Visalia. Then the fall of '40 to the spring of '41 that school year.

Wilson: I went to Visalia two years.

Swent: Stayed at Visalia two years, and then the fall of '41, that's when Pearl Harbor was.

Wilson: So I started--in those days UC Berkeley was running--they had to run three semesters. I started in spring, went to school in the summer, so when Pearl Harbor occurred I was in my second semester at Cal. And then I left in October '42.

The University of California at Berkeley, 1941-1942 ##

Swent: What did you have to do to get into Berkeley in those days?

Wilson: I had to have a B average, 3.0. That was about it.

Swent: How did you get to Berkeley; did you drive?

Wilson: Yes, drove the Oldsmobile coupe.

Swent: This was your very own car by then.



Wilson: By now, yes.

Swent: Had you had jobs, did you have time for any--I know you helped your grandfather on the farm but did you do anything else?

Wilson: When I was going to high school I worked at a grocery store called Linders. I worked in the vegetable department. One of the jobs that I really liked in the vegetable department was--eggplant shrivels when it begins to be dehydrated. The way you make shrivelled up eggplant look really nice again is put a needle on the end of a hose, stick it in the eggplant and fill it full of water. That was my job, to keep the eggplant nice and glistening, with little droplets of water coming out of the skin.

Swent: Is that a useful skill in your later life?

Wilson: It sure was.

Swent: Do you like eggplant today?

Wilson: Yes, I do.

Swent: Good.

Wilson: I worked at a service station in Berkeley, down on Bancroft Way. First year there I lived at a place called Barrington Hall. I lived there because this is the cheapest place I could find. And it was a cooperative, a co-op.

Swent: How much did it cost?

Wilson: I have no idea. But you lived there and everybody did some work, served tables, cooked, washed dishes, mopped the floor, did all that sort of stuff. I had a room that had off one side a rather large closet and in that closet lived a fellow named Rossy Lomowitz. Rossy Lomowitz was a physicist.

Swent: He lived in the closet?

Wilson: Yes, he lived in the closet. Rossy was in those days the youngest person to obtain a Ph.D. in physics, age eighteen he got his Ph.D. Rossy was also the head of the Young People's Communist League on campus. When Rossy had his cell meetings, all these young Communists had to climb over my bed to get into his closet. [laughter] He tried to recruit me. Very helpful in tutoring though, mathematics. Tried to recruit me and I was just off the farm, I was so dumb I didn't know a communist from Adam's off ox and I simply wasn't interested. Rossy would give speeches at Sather Gate about, which in those days, what had happened. By



that time Germany had turned on Russia, for the Soviet Union, so we were allies. He was drumming up enthusiasm, support for the Soviet Union. So that was a lot of fun.

Swent: But it didn't appeal to you.

Wilson: No. I was not political in those days. I guess when I went to Berkeley I had already decided I wanted to go into the Mining College. Hearst School of Mines.

Swent: Why?

Wilson: Couple of things I guess; in junior college one of my teachers taught geology. I took Geology 1 and, man alive, it just excited me to learn about how the earth was formed and all that stuff, that was the best thing in the world.

Swent: Was there a particularly exciting teacher?

Wilson: Must have been, I've forgotten. The whole subject just really fascinated me. I'd worked for a surveyor as a chainman and a rodman through high school, through the father of a friend of mine. Hugh Pennebaker. Mr. Pennebaker was the county surveyor, did a lot of surveying in that part of the world. That interested me. I took surveying in junior college, then of course I got exposed to physics and chemistry and all that excited me, and I put it all together and the liking of geology, that's mining school at Berkeley.

Don McLaughlin was the dean of the school at that time. And I almost flunked out; I got to Berkeley and I found girls and night life in San Francisco. Boy, I tell you, you turn a young kid loose off the farm, an environment like that it is pretty tough. So at one point I had to go and petition Don McLaughlin to let me stay in school. Interestingly enough many years later he and I became very good friends.

Swent: So he had the wisdom to let you stay.

Wilson: The war was going on.



## II WORLD WAR II AND SERVICE IN THE ARMY, 1942-1946

### Pearl Harbor

Swent: Pearl Harbor must have been quite an event.

Wilson: That's when things got very difficult at school, because the war was going on. There was a great pressure to get out of school, pressure by peers, become involved in the army. I thought I was having so much fun, my grades were really not good. I knew I was going to be drafted and I decided boy I better get out as soon as I can before I flunk out. There was an engineering unit recruiting in San Francisco. I decided that was something that I wanted to do. Because I was under age, I had to get my mother's permission to withdraw from the university and enlist in the army. I had an appointment with the dean of men. That appointment was significant because when I came back to school after the war, my records showed flunks. I had F's in all of the classes that I was taking at the time I withdrew. Instead of having an incomplete, they flunked me. There was no record of my having petitioned for whatever it was you petitioned for, to leave school during the semester. I finally found a girl who worked in the dean's office who was a friend of mine, I guess from Tulare high school. She diligently searched the files and found an appointment slip, that I had had an appointment with the dean of men in 1942. And on that basis they erased the F's and gave me incompletes on all those courses.

Swent: A lot of things changed because of that I'm sure.

Wilson: By that time I had grown up and I was pretty darn serious about finishing my education. From then on, as far as grades were concerned, it was smooth sailing.

Swent: So what was your army career; when did you join the army?

Wilson: Joined in '42.

Serving on the Burma Road with the Aviation Engineers

Swent: You were twenty years old.

Wilson: Enlisted for--the next year, we went to Burma, went to India. San Pedro to Bombay, India. Forty-three days, that's three days longer than Noah was on the Ark. Then a train through India up to Ledo, India, and then later aircraft into Myitkyina.

Swent: Ledo?

Wilson: Ledo was the end, furthest point northeast. That was the dropping off point for all the combat troops who went into Burma. Was the railhead of the Burma road, what finally became the Burma road, the overland route into China from India.

Swent: What group were you with?

Wilson: I was with the aviation engineers.

Swent: Aviation engineers.

Wilson: We were supposed to build airfields. We went into Burma, things were pretty hot. The infantry unit that had taken Myitkyina just before we got there was in pretty desperate straits, so all of the troops that arrived in India at that time were sent over to Burma as infantry. When Myitkyina was secured then we did reform again into this aviation engineer unit and built an airfield across the river from Myitkyina. Built another airfield in Bahmo, Burma. Went from there, convoyed into China. I lost track of time, probably '44, went into China in '44. We were the second convoy over the road, it's opened. Went from Bahmo to Kunming, and then from Kunming down to the border with China and Vietnam. Place called Mengsee, built an airfield there. It's all pretty hazy. Back to Kunming. I was sent off to supervise the construction of airfield in a place called Lung Ling which was north in China on the border with either India or Burma; I'd have to look at the map. Well, I went from south China up to the north. We'll get an atlas.

Swent: By then you were supervising a construction crew.

Wilson: I was a platoon sergeant. What I supervised was a crushing plant that consisted of something like 6,000 women all with hammers beating rocks to make aggregate for the airfield.

Swent: These were Chinese women, or Burmese.

Wilson: All Chinese. Everything was done by hand in China. The excavation was all mattocks, and shovels, and stuff carried out with baskets. The rock for the subgrade was carried from the crushing plant in baskets, laid about twenty-four inches thick. Then we got sand from some place, I guess a river or some place, carried all on backs of people. It was a B-29 base we were building. I used to remember the quantities of materials that were hand-delivered; it was huge.

Swent: So you didn't have to do any manual labor yourself.

Wilson: No, just to kind of organize all this mass of humanity.

Swent: What a job!

Wilson: That experience in China, Burma and China, really got me interested in Asia. My friend who was back here after the war tried to encourage me to go back, I don't know what in the world happened to him. Those days the only way to make money was buying opium from the poppy grower.

Swent: Did you see a lot of that?

Wilson: No. The Golden Triangle, that's the description the press has used to describe this area, Burma, Thailand, China, where much of the opium is produced. The folks who started that opium growing were deserters from the Chinese army. Tens of thousands of Chinese army, whole divisions deserted along that Burma border. The remnants of that, those folks started opium growing, organized the opium trade.

The U.S. Army had a great deal of difficulty with those Chinese army deserters. They turned into bandits and preyed on not only the civilian population, but the military traffic going on the Burma road, from Burma into China.

Swent: You felt that these people introduced the poppy growing there?

Wilson: No, they didn't introduce it but they organized it. This is what I felt, I didn't know that at the time. It's what I've read since then, these folks are the ones who are responsible for a great deal of that opium that came out of there during the Vietnam war.

Swent: Did you see Japanese troops?

Wilson: Yes, from a distance. Ones that I saw close up were smelling pretty bad.

Swent: Were you in actual combat then?

Wilson: Yeah. In Myitkyina and again in Bahmo.

Swent: You skipped by that, you said "secured the area." Securing that meant actual fighting.

Wilson: Oh, yes, Japanese didn't want to give it up. Japanese were in there on the end of a very long supply line. When the Americans secured the airfield, and were able to fly in supplies and people, from India, just overwhelmed the Japanese, they had to move out.

#### A Postwar Conversation with Mr. Mezeki

Wilson: Many years later, when I started doing business in Japan I met the then head of Mitsui Shoji whose name was Mezeki, who was the quartermaster; he was a general in the Japanese quartermaster corps responsible for supplying those people in Burma. Had a number of interesting conversations with him about the war days. Interestingly enough he was really happy to talk about it.

Swent: In what sense?

Wilson: Historical stuff, not really a historical thing but subjective, how they felt.

Swent: What did he say?

Wilson: Well, the troops were very concerned because the quartermaster corps was unable to supply them with much of anything. By that time the U.S. Air Force had control of the air during the daytime, so they had difficulties with convoys, getting supplies up into north Burma. And they just had to retreat, down in toward Rangoon, where they were being supplied by rail from Thailand.

Met a lot of Japanese who had been involved in the war, one way or another, in later years.

Swent: You said you became very interested in China but you didn't go back.

Wilson: Well, in the whole of Asia. No, I didn't get back to China until about 1980, was the first trip. In '81 Bev and I went to China and then spent a week in Tibet, which was pretty darn interesting. In the meantime I had spent a lot of time in Japan.

Swent: You had a lot of business dealings in Japan. Did you ever get back to Kunming?

Wilson: No, I didn't go back.

Swent: That would be interesting.

Wilson: Yes, it would; I thought about going there. Pretty difficult. We went to Tibet as guests of the Chinese government, so we had a young woman who was our guide. Really we were not invited to tour China.

Swent: No, 1980 was awfully early.

Wilson: We're doing an awful lot of rambling here.

Swent: No, no. We've just rambled a bit just now from your crushing plant. The Burma road and the flying over the Hump; I'm trying to just get this straight in my own mind that the land route was developed after the air route?

Wilson: Oh, yes. You heard of flying the Hump. The United States Air Force combat cargo squadrons flew from Ledo, India, to Ledo out of a place called Dibrugarh to Kunming.

Swent: And then after the road was built--

Wilson: They were flying supplies in to the Chinese Army.

Swent: Did you fly at all at that time?

Wilson: Only as a passenger. I went to China, went to India one Christmas to buy supplies, mainly Debragah gin and fighter brand whiskey. The gin and the whiskey were bottled in used beer bottles.

### Battling Malaria

Swent: But this was an essential supply. Did you have any health problems through all this?

Wilson: Malaria, I had malaria. More times than you could count. When I first went into Burma, if one had malaria six times then they could ship them off. So I went into the hospital on a stretcher, my sixth time the doctor said, "What are you grinning about?"

I said, "This is number six," and he said, "Oh that's too bad, they just rescinded the order, if we sent everybody out who had malaria six times we wouldn't have anybody left in Burma." So that was the end of that. Later the doctor said--I'd had asthma



when I was a kid, I was allergic to a lot of things. So the doctor said, "If you have asthma we'll ship you home." I knew that I had been allergic to ragweed, and there was this whole tent hospital was, right down the biggest patch of ragweed you ever want to see. So I got out there and I sniffed the--

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Swent: So where was this tent hospital?

Wilson: In Myitkyina.

Swent: And there was ragweed there?

Wilson: Oh, sure was. But I couldn't get a wheeze out of it, so I had to stay.

Swent: You must have been pretty ill though, with the malaria.

Wilson: I was one of the few, I think 14, 15 percent of the folks in whom atabrine did not suppress malaria. Atabrine was the principal anti-malaria drug that supplied the army. So I had malaria pretty regularly, about every six weeks.

Swent: Did you ever have it later; did it recur?

Wilson: Yes, I had it when I went back to Berkeley and I volunteered as one of those on whom they tested the malaria drug, one that became very common, I forgot the name of it now. When I went to work up in Idaho I still had malaria. I guess I got over it in about, probably by 1952 or 1953.

Swent: You probably still have it in your blood though, don't you? They won't take your blood.

Wilson: That's right, they won't take whole blood.

Swent: It has a long lasting effect I guess.

Wilson: When we were convoying from Kunming to Mengsee, we sunk a ferry. Some place around here I've got some photographs, and I got malaria when this convoy was stuck. I got malaria pretty badly and I'd had it when we left Kunming and I'd prevailed on the hospital to give me some quinine rather than put me in a hospital, because I didn't want to lose track of the unit. So I went out and I woke up in a bathtub full of ice cubes. What had happened, I'd become unconscious. There were some locals with dugout canoes on this river, and they put me in a canoe down the river a day's

paddle to a French Army hospital on the border of China and Vietnam. And that's when I woke up.

Swent: And they had ice.

Wilson: They had ice, yes.

Swent: Probably saved your life.

Wilson: I suppose so, I must have been pretty hot. That was about the last real tough malaria experience I remember. Anyway, didn't get shot, so I was pretty lucky.

The Uprising in Kunming after the Japanese Surrender; A Thrilling Rescue of Six Americans

Swent: Good. You were there a long time.

Wilson: I came back, since the war was over August '45, I finally got back in January '46. We had a problem with the Chinese provincial troops when the Japanese surrendered. They tried to take the airfield in Kunming. Attempted to take the engineering supply area where we had probably fifty or sixty 155 Howitzers. So we had a big problem with them, for ten days after the war was over, which I always felt was unfair on the part of those folks.

Swent: To whom?

Wilson: Unfair to us. The war was over! That was a little part of the military history of this country that was never written. That was kept secret, at least from the press, because of Marshall's attempt to have a coalition government formed, of the provincial troops and Kuomintang. Which of course finally resulted in the Chinese Nationalists going to Formosa, what is now Taiwan. So that was over and then things settled down.

Swent: Were you there at Kunming at that time? So you were aware; you were in it. Give us an eyewitness account.

Wilson: Kunming was an old, old city and the inner part of Kunming had a wall around it. When the provincial troops rose up, it was the day after the surrender of Japan was announced. They shut this big wooden gate, and inside the city was the Armed Forces radio station and a U.S.O. hostel. The Armed Forces radio station had four guys in it, who were American, civilians I guess, or maybe they were military. The U.S.O. had six American girls trapped

inside of this hostel area. So four halftracks, that's a vehicle, with round front wheels and tracked wheels in the back, with 50-caliber machine guns mounted in the bed of this thing. We had to go in and rescue these folks. So we got a 155 Howitzer--

Swent: Were you in all of this?

Wilson: Yes, blew the gates down, I was in the second halftrack. And we went in like a bunch of cowboys, we went through there shooting at everything that moved. We went to the Armed Forces radio station, we got those guys out, and then backed up to the U.S.O., got the girls out, backed out of town.

Swent: Put them into the halftrack, and then away you went.

Wilson: That was a lot of fun. You know I've read everything I can get my hands on about China in those days. Not a peep, nothing was ever written to my knowledge about that whole episode. I mean about the episode of the Chinese provincial troops uprising after Japanese surrender.

Swent: So the Kuomintang people were there at the airfield; were they the ones who were in control?

Wilson: Politics were pretty confused at that point. There were no Nationalist troops, the governor of Yunnan province in which Kunming is the capital, the governor was, I'm not speaking with great authority here but somehow or another, while he was allied with the Nationalists, Chaing Kai-shek and the National troops, he was attempting to do something on his own. But when the war began to wind down it became apparent that the Japanese were about to be conquered, and I'm not sure that this was before the atom bombs were dropped, I think it was before. The Nationalist troops in an attempt to gain entry into Yunan province offered the governor of Yunan province opportunity to take Thailand, to move down into Thailand. So the theory being, I guess, that he had to send all these troops down there and then all the National troops would come back. Well, that didn't work that way because the governor then turned Communist. When the Japanese surrendered, his troops were not far away and they came back. I guess by this time the Nationalists did have infantry on the airfield. It was the governor's troops who were the Communists.

I was in the hospital with malaria at that time. They evacuated the hospital. All those who had a temperature exceeding 102 were flown out, and presumably flown home and those whose temperature was 102 or lower had to walk back to town. That was about eight miles from the airfield. I couldn't get my temperature to go to 102, so I was one of those that had to walk.

When we got back, the good guys had black armbands and the bad guys had red armbands and we'd go through one road block after another. For some reason or other we didn't have any trouble with the red armband fellows, they let us through. But then we got back to town, that's when the fighting erupted. So I missed a couple of opportunities to get out of there.

Swent: You said the old city was walled, and you were based outside the city, and the hospital was eight miles--

Wilson: Beyond where we were based.

Swent: So it was after you got out of the hospital that you rescued these people then? And there was fighting at the airfield.

Wilson: We were in the engineering depot, which was probably two miles from the airfield. That's all kind of hazy too.

Swent: That's very interesting. Which group then won the battle of the airfield?

Wilson: The provincial troops were finally subdued; they were unable to take the airfield.

Swent: Was that when they started that long march then, from there up to the north?

Wilson: Well, I don't know, I'm foggy on that. I think the folks who started the long march, they started in the Peking area, didn't they? Beijing, the capital, I don't know.

#### Return Home after a Long Time

Swent: I thought they started in Kunming and then went north, but I could be wrong on that. You were there at an exciting time. But then you didn't get back till December, so you hung around a while.

Wilson: I was glad to get out of there. I was one of those who had accumulated points, they developed a point system, you had so many points for a year overseas and so many points for this and that. I had points--the highest I recall, 151 points so I could immediately be discharged, but getting home was a problem, because everybody was going home. So we flew out of China and went to a camp in Calcutta. So I spent about two months or three months there waiting for a ship.

Swent: That must have been terrible.

Wilson: Finally got on a ship to come home some time in December, because I was--we passed Gibraltar on New Year's Day.

Swent: Gibraltar?

Wilson: Yes, we came back through the Mediterranean. From India, through the Suez--the Red Sea, through the Suez Canal, then down the Mediterranean, that's the way.

Swent: What kind of ship were you on?

Wilson: Oh, some sort of a troop ship. Going over, we went from San Pedro to Suva, Fiji Islands, Suva to Melbourne. Melbourne to Perth, picked up a British naval escort, went up through the Indian Ocean, I suppose as far away from Singapore as we could get, which would put us over toward the African coast. Went into Bombay.

Swent: From Melbourne to Perth how did you do it?

Wilson: Well, that was all on troop ship, but we stopped in Melbourne, and then went around Australia to Perth where we did not stop but we picked up the escort.

Swent: South or north?

Wilson: Around the southern part of Australia. Picked up the British cruiser and sixteen destroyer escorts, one troop ship. We were traversing an area in which the Japanese controlled the air. But we got through unscathed.

Swent: So when you came back you came into New York then? Must have been exciting.

Wilson: Sure was, yes.

Swent: Had you been able to get mail? You did get letters.

Wilson: Yes, I did get letters. It took a month or so. No radio, it took a month or so to get letters out there.

Swent: So you landed in New York.

Wilson: Where'd we go, we went from New York to some army camp, and then stayed a day or two there and were flown to Los Angeles, got my discharge in L.A. Boy, I was happy.

Swent: I'm sure you were. Did you go straight to Tulare?



Wilson: Yes, I did. Smartest thing I ever did was when getting discharged, some officer gave us a big song and dance about the benefits of joining the reserves. They said all those who wished to join the reserves line up over here; I didn't move. Of course those guys went to Korea, went to the Korean War. But I didn't, and I wasn't called up for the Korean War.

Swent: You'd seen a good bit of war.

Wilson: I survived. Looking back on it, I had a lot of fun.

Swent: Did you?

Wilson: Yes, sure.

Swent: Doesn't sound like it.

Wilson: You forget the bad things, remember the good things.

Swent: What were the good things?

Wilson: Oh, having fun shooting up Kunming.

Swent: Have you kept friendships from then?

Wilson: No. With the Chinese that I knew, I have no idea what happened to them. There were Chinese university professors in Kunming who liked to speak English and have the military folks around, so once a week we had a little get-together with these Chinese folks in one of their homes. It was a discussion meeting, history, politics, really very interesting. We wanted to know as much as we could about their society and they were very curious about ours; it was a lot of fun. I often wondered what happened to them, suppose the Communists shot them all.

Swent: How did they happen to select you?

Wilson: I have no idea. I don't remember.

Swent: They must have been looking for people with some education. Your American buddies, you haven't kept in touch with?

Wilson: No, I was so happy to get out of the army, Lee, that I just--I kept in touch with a few of them, but I lost track of them. Some military folks take great delight in recapturing the old days and they go to annual meetings and stuff, that wasn't for me. Like I told you about doing this interview.

Swent: You'd rather look ahead than look back.

Wilson: That stage of my life is over, I've got a new one going now.

Readjusting to Family and Civilian Life

Swent: That's good. I'm thinking your mother must have been awfully happy to have you back home, and your grandparents. That was a bad time.

Wilson: That's when I really got to know my father, after I got back out of the army, because he was married, remarried. He and mother were very friendly and we just saw a lot of each other. Shooting, Dad, and Grandfather, and I would go out dove hunting, that was a great thing in Grandfather's life.

Swent: This is your Grandfather Wilson.

Wilson: Grandfather Creech. Grandfather Wilson died before I was born, so I never knew him.

Swent: Maybe it was the war that made your parents concerned over you?

Wilson: Well, so much time had passed and the old bitter stuff was all history, and mother and father liked each other in spite of all the problems that they had. I was living with my mother, I was living with her at the time, and saw a lot of Dad. I'm sure I was a real problem for mother because she wanted to treat me as a little boy; I got back from the war and I was doing my own thing. When I would get to Visalia and have a party and stay in a hotel instead of coming home, boy, Mother would get awful upset. But I had to tell her I had a life to lead and that was it.

Swent: Your dad backed you up, did he?

Wilson: Yes, he always backed me up, even before. After their divorce, I guess when I was in high school I got in trouble from time to time. I got put in jail for trying to swipe gasoline. Dad was always there; he got me out. Twice I was in jail in high school. Once for swiping gasoline and the second time we were decorating for the junior-senior prom and we were doing this jungle theme, I was a junior in high school. So where do we get vines? Well, the most prolific vine growing was on the mortuary. So we tore all these vines off as the decorations, decorated the gym and oh God, [laughter] the next day here comes--so they put the whole bunch of us in jail, the whole decorating committee.

Swent: Seems kind of mild now, doesn't it?



Wilson: I guess the cops were; I think they were having a great time doing that. [laughter]



## III RETURN TO THE UNIVERSITY OF CALIFORNIA AT BERKELEY, 1946-1948

Anita Whistler, Helpful English Instructor

Swent: They must not have had much serious crime to deal with.

Wilson: One of those persons was named Anita Whistler. Anita Whistler was an English instructor at UC Berkeley, in the English Department at Berkeley when I came back after the war. Before the war, I had never passed a Subject A exam, because my spelling was terrible, I couldn't spell anything. I was required to take Subject A. But I knew I was going to have an awful time because I was trying to start out as a junior in calculus and physics and chemistry and all that stuff. So Anita was one of those persons who was lined up in front of--they'd have A and then a person there taking all the A's. She wasn't under the W's, but I spotted her and I made a deal with her. I said if you get me through Subject A I'll take you to dinner once a week. So Anita did, she got me in her class for some reason or another. Every Friday night we'd go to a Chinese restaurant on Shattuck Avenue. [chuckles] But see, finally she wrote me a note one day and she said, I have to have something in your handwriting, you've got to do an essay. She says you have to come to class at least once.

Swent: You weren't even going to class?

Wilson: No, I wasn't. So I had to call her and find out where the class was. She got me through Subject A.

Swent: Without your going to class?

Wilson: Yes, I went to class once. She was neat, then she went from Berkeley to England, and I think she taught at, maybe it was Oxford. And she was flying from London to Rangoon, Burma. She had a job, and she was on the first jet aircraft that blew up in the air, so she was killed. That was probably '48, '49 I suppose.

Swent: What a shame.

Wilson: I don't remember; I think it lost an engine.

##

Swent: We missed something in the tape change here. You were talking about where you were in the army and in that part of the world yourself; you went from Bombay to Calcutta.

Wilson: Going there, landed in Bombay and we took a train from Bombay to Calcutta--

Swent: Three weeks!

Wilson: And then from Calcutta up into Assam Province to near Debragah. Three weeks; it was a long train trip. When we did it we came up through what is now Pakistan, of course Calcutta and up. The British were fighting the Japanese along the Burma border, and I can remember they dressed the locomotive, this train up with banana plants. They had banana plants, banana stalks out of the smokestack and tied to the locomotive.

Swent: To conceal it.

Wilson: Yes, try to conceal it. We had a platoon, twenty-six men in the platoon. We were in a car, wooden passenger car. Everybody could lie down, we used the baggage racks, the benches, and the floor, and one man had to sit up. [laughter]

Swent: You took turns?

Wilson: We took turns, yes.

Swent: Did you just eat off the land as you went along?

Wilson: I think we were supplied with K rations, dry block stuff. I don't think we had anything else, we didn't have any kitchen. Just all K rations, pretty awful food.

Swent: Probably safer than what you might have picked up along the way though.

Wilson: Absolutely. So that was my travel around that part of the world.

Swent: I was interested in your saying you took Anita Whistler out for Chinese food; your period in China didn't spoil your taste for Chinese food.

Wilson: Well, I think it's probably because that was the cheapest food there was in Berkeley. [laughter] I like Chinese food.

Swent: Have you been back to India?

Wilson: No. Closest I've been, I've been in Thailand a number of times. Bev and I took a trip to Vietnam a couple of years ago, Stanford alum trip with Admiral Stockdale and his wife. That was a great trip.

Swent: I've heard of that; that must have been wonderful.

Wilson: They're great folks.

Swent: I read his book.

Wilson: Isn't that something? Boy, what a guy. They broke his knee; his right leg is stiff and he has to swing it while he's walking. He said one day to Bev as he was going down the gangplank, he says, "I think this gives me a distinguished look, don't you?" And he was swinging that leg around. He's really something, that fellow.

Swent: He is. So shall we get back to Berkeley: you got through Subject A; what else did you take when you went back? You said you went back different from what you'd been when you left.

Wilson: I should say so; I'd grown up in that time.

Swent: Now you really knew what you wanted to do?

Wilson: I wanted to get out of school just as quick as I could and start earning a living.

Swent: But you stuck with the same courses though.

Wilson: I think I got straight A's after coming back here. Another anecdote: to go back as a junior, I had to take a junior engineering exam, which was a comprehensive exam of all the basic science stuff. Math, physics, chemistry.

Swent: You were a long time away from it.

Wilson: Yes, and this was an all-day exam, I think it started at eight, had lunch and got through at four. And I was sure I flunked it, Christ, I couldn't remember calculus. The Dean of the school--the Mining School had been consolidated with the Engineering school. That year, the first year Dean of Engineering was Don McLaughlin.

Morrrough O'Brien, Dean of Engineering

Wilson: Second year I was back it was O'Brien. I kept waiting for this notice, saying "Uh oh, you flunked the test, and they'll throw you out." It didn't come, it didn't come, finally right up to the time I graduated, we graduated in '48, they had a ceremony at the Greek Theatre I guess it was. Harry Truman gave out the diplomas, he handed them out, shook hands with everybody. As I was walking down the aisle and my name was called, I expected somebody from the dean's office to jump up screaming, "Oh he didn't, he flunked the exam!" Many years later I retained O'Brien to do some consulting work for us on--his field was the littoral movement of particles along coast lines. We were building a port in Western Australia, Port Hedland, had to dig a channel, and we were interested in which direction this channel should go, to obviate the necessity of having to dredge it constantly [knocks twice on table]. So we hired O'Brien to consult with us. At a meeting, joint venture meeting which O'Brien gave his conclusions, I related to him this episode, this fear, and he said, "Didn't they tell you? Anybody who'd been out of school more than two years we threw the exams away." [laughter]

Swent: All that worry for nothing. So you got straight A's this time around; what were you taking?

Wilson: Taking extractive metallurgy.

Swent: Who was teaching it?

Wilson: [Lionel] Duschak was head of the department, grand old man. I took a number of geology courses too. The man who taught economic geology, mining geology, whatever they called it in those days, Carl Hulin. Did you know him?

Carlton Hulin, Professor of Geology

Swent: Yes.

Wilson: Is his wife still alive?

Swent: I don't think so.

Wilson: Well, anyway, Carl was a very opinionated gentleman. He got in a lot of trouble trying to deal with the adult students that he had, who had come out of the war. Carl was inclined to be pretty--in

some respects he would say demeaning things to students, I guess his way of trying to prompt them into doing better. He said something in some petrology class to some fellow who had been in the Rangers, and who had scaled the walls, landing in Europe, you know, one of these guys who really knew what his life was all about and Carl called him an idiot and the guy punched Carl in the nose. They had a big fight; well, anyway--.

So I got through, I took my final into Carl's office, he says, "What's the matter, aren't you smart enough to spend four hours doing this?" And I handed him my blue book and I said, "Read the blue book." He put it down and he said, "Do you want a job?" And I had--Bev had typed application after application, we'd sent them to everybody I could find, every mining company. So I said, well that's what it's all about, and he said, "Well, I've got a job for you." That was with Bradley Mining Company; he was a consultant, he was a consulting geologist for Bradleys. He arranged for me to, arranged the appointments and I flew to Boise with one of my classmates, Bill Griswold, who had been a fighter pilot for the A.V.G., American Volunteer Group that flew for the Chinese during the war. Bill had--the closest thing to a P-51 that he could find was some kind of a single engine low-wing plane; he flew me up to Boise, he had already accepted a job at AS&R [American Smelting & Refining Co., Asarco], in Arizona I guess. We went up to Boise and then we flew up to the mine, up to Stibnite, the Yellow Pine Mine, where I was interviewed by the fellows. The superintendents and finally the manager.





IV WORKING AS AN ENGINEER FOR THE YELLOW PINE MINE, STIBNITE,  
IDAHO, 1948-1951

Beverlee Forsblad Wilson and Her Teaching as an Advantage

Swent: Do you remember their names?

Wilson: Oh yes, Bob McCrea was the mill superintendent, Bob Clarkson was chief engineer, and Harold Bailey was manager. During this conversation with Harold Bailey, he asked me what my wife did.

I said, "Oh she's a schoolteacher." He was terribly interested because they needed a schoolteacher.

He said, "Would she teach here?"

I said, "Well, gee, I suppose so; she likes to teach."

"You're hired." So I've kidded Bev that she was the one that got me the job. And she did teach for two years.

Swent: Where did you meet her?

Wilson: Bev and I met in Visalia. We met at a track meet. I was in Visalia with a friend; this was probably the spring of '46. I was in Visalia with a friend who had a date; he wanted to arrange a date with Bev's sister, who was queen of the track meet, something. So he, much against my will, got me out of the bar and we went to Visalia Junior College track meet. So he met Gloria, his girlfriend, and introduced me to the family, and gee, I saw Bev, my God, just swept me off my feet. And that was the start of the romance.

Swent: While you finished at Berkeley she was in Visalia, was she?

Wilson: Bev taught in the little town of Pixley, taught elementary school. We were married in January of '48, then we finished out the

semester. Got the job with Bradley at the Yellow Pine Mine. And we reported up there to work I guess in July, just after the Fourth of July.

Swent: Had you actually worked in a mine at all?

Wilson: No, but I had been a surveyor, and when I got out of the army I was Tulare City Surveyor for a number of months before I went back to school. So really what they hired me to do was to be the surveyor for a new smelter construction we were doing. When that smelter was built, then I became a shift foreman at the smelter.

### Robert Clarkson

Wilson: Prior to that time I worked for Bob Clarkson, who lives in Reno, good friend, talk to him two or three times a week.

Swent: Developed Clarkson's,<sup>1</sup> some special machinery, didn't he?

Wilson: That's right, he developed the Clarkson [reagent] feeder, and from then he left that mine and came to Palo Alto and started the Clarkson Company, building the feeders and building valves, and he moved his company to Reno. His son is now running the company, very successful slurry valve manufacturer. They still sell three or four hundred feeders every year, which is kind of neat.

Swent: What was your degree in at Berkeley?

Wilson: Extractive metallurgy.

Swent: So you got away from your geology.

Wilson: Yes, I don't really know why. I like chemistry and I was pretty good at chemistry and I think that's what got me into extractive metallurgy.

Swent: But it was through Hulin that you got the job.

Wilson: Then we became good friends after. Carl would always eat with us when he was up there on a consulting job.

Swent: Did you have any summer jobs, or were you going to college?

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<sup>1</sup>John Robert Clarkson, Building the Clarkson Company, Making Reagent Feeders and Valves for the Mineral Industry, 1935 to 1998, Regional Oral History, The Bancroft Library, University of California, Berkeley, 1999.

Wilson: No, I just went straight through.

Swent: So this was your first real mining job, at Bradley.

Wilson: I think I did; no, I came back, I did. I was a surveyor. The summer of the first year I went back to Tulare and worked for an engineer, civil engineer, again surveying.

Swent: But you had no smelter experience or anything like that.

Wilson: No, I learned that on the fly.

Swent: It's interesting; you built it, or you were in charge of building the smelter?

Wilson: No, I was a surveyor, I laid out all the stuff, you know, and then I worked for Bob Clarkson and the chief engineer in the pit. Doing the engineering work, surveying.

#### Recollections of Stibnite and Yellow Pine

Swent: Oh, this was an open pit mine.

Wilson: Yes, it was. Various construction projects were going on at that time.

Swent: And then you became foreman of the smelter?

Wilson: Yes, I was foreman, and then when I left I was assistant superintendent of the smelter.

Swent: So you must have done some on-the-job training.

Wilson: Oh yes, that's the kind of stuff you can't learn from textbooks.

Swent: No. What did it involve?

Wilson: We produced antimony oxide and gold bullion, and we shipped the gold bullion up to northern Idaho for treatment, another Bradley mine. The Bradley family started--

Swent: Bunker Hill. Bunker Hill and Sullivan. So they had a refinery up there?

Wilson: They did. This is an electric furnace smelting; we had multiple hearth roasters, in which we roasted the antimony concentrate

which is stibnite, antimony sulfide, and roasted arsenopyrite, which contained the gold, and then combined the roasted product in the electric furnace, reduced the antimony to metal and in the process, the gold was absorbed with the antimony metal. So we came out with a gold bullion that was then concentrated by oxidizing the antimony, produce antimony oxide, leaving then the gold with some antimony metal.

Swent: So gold will combine with antimony; I didn't know that. Was this a new smelter?

Wilson: Yes, it was. The Yellow Pine Mine had operated during the war producing tungsten. It was the largest tungsten producer in the United States at that time. When I got there, in 1948, tungsten was just about depleted, and the demand for antimony oxide had increased by the defense department. They were using antimony oxide as some sort of paint to inhibit fires on naval vessels, that was the use of the stuff.

Swent: So this was another deposit that was next to the tungsten deposit?

Wilson: The scheelite--I don't recall the geology too well, but it seemed like the scheelite occurred almost adjacent to this stibnite arsenopyrite ore body.

Swent: So they were able to continue mining something completely different. That's interesting.

Wilson: It was a pretty large operation; there were about 1,200 people who lived in the town.

Swent: The town was Yellow Pine?

Wilson: No, the town was Stibnite.

Swent: The town was Stibnite and the mine was the Yellow Pine Mine.

Wilson: There was a village of Yellow Pine which is about fourteen miles down the river. First winter we were there the roads were snowed in. Ran out of food--pretty close to it, and the Air National Guard dropped supplies to us, parachutes.

Swent: Pretty exciting. And Bev taught school.

Wilson: Bev taught school. Two of our children were born there. We left in late '51, November, December of '51. Harold Bailey had left Bradleys and joined Molybdenum Corporation of America, and he needed a mill superintendent, so he asked me to join him, I did.

Swent: Were there any particular challenges to running a smelter?

Wilson: Sure were. I'll tell you all about them in the next episode. I had to deal with industrial health problems.

Swent: Clean air was quite a problem?

Wilson: Oh boy, everybody had perforated septums. I got heavy metal poisoning, damn near died, I'll tell you all about that next time.

[Interview 2: July 9, 1996] ##

Swent: This is continuing the interview with Alexander Wilson in Los Altos on July 9th, 1996.

Wilson: What are we going to talk about?

Swent: Well, let's talk about Stibnite. You didn't say anything yet about--. Where did you live? What sort of living accommodations did you have there?

Wilson: The first summer we were there, Bev and I lived in the schoolteacher's house in Yellow Pine.

Swent: The company provided teachers, did they?

Wilson: Well, we had a misunderstanding with the man who hired me, who was supposed to provide us a house. He did not; and we stayed in a little hotel in Yellow Pine. And the owner of the hotel was the head of the school district, so he took pity on us and let us move into the teacher's house. We lived there July, August, and I think we finally moved up to the mine in September.

Swent: And where was this? In the town?

Wilson: In the town of Yellow Pine, yes.

Swent: And the mine was up the road a ways.

Wilson: The mine was fourteen miles up the canyon from Yellow Pine.

Swent: Stibnite was--I'm trying to get this straight in my mind--Stibnite was down the-- [looking at map]

Wilson: Well, you see the town of Yellow Pine.

Swent: Right. And it's on a river.

Wilson: Yes. East fork of the south fork of the Salmon River.

Swent: The east fork of the south fork.

Wilson: Yes.

Swent: Okay. So the river is going west--?

Wilson: Yes, right.

Swent: --north.

Wilson: Yes.

Swent: So Stibnite is up--?

Wilson: Yes. Up the canyon.

Swent: Up the canyon. And the mine is in this area between the two?

Wilson: Well, no. I think actually the mine is probably just right about where the dot is indicating the location of Stibnite. It's hard to tell from this map. The mine was just about two miles, a mile and a half, from the main town of Stibnite.

Swent: So when you moved up to the mine, what sort of accommodations did you have?

Wilson: Again, we lived in a teacher's house. This was a house that had been constructed from two boxcars.

Swent: What?!

Wilson: Yes. Two bedrooms, one bath, small living room, kitchen with a wood stove.

Swent: Were the boxcars side by side?

Wilson: Beg your pardon?

Swent: The boxcars--

Wilson: I think they had, yes. It looked like a house by the time they got through with it. But fortunately, it was well insulated so we managed to live very well.

Swent: Wood stove. No electricity?

Wilson: There was electricity, but wood was plentiful and all it cost was the labor to go out and get it--cut it and bring it home.



Swent: Bev hadn't been used to cooking on a wood stove.

Wilson: No, but she did pretty well.

Swent: You hadn't been used to chopping wood.

Wilson: I guess that's right, yes.

Swent: Did you learn?

Wilson: Sure did. I learned a lot of things.

Swent: You had to chop your own?

Wilson: Yes. Yes. And I learned pretty quickly what wood to burn and what not to burn. So it was all very interesting and very exciting for a couple of young kids.

Swent: What were you paid?

Wilson: Three hundred and sixty dollars a month, we started.

Swent: Did that include your housing?

Wilson: I think we paid no rent, but I remember I was shocked at the first winter months we had. The house was heated with fuel oil; half my paycheck went to buy fuel oil the first months. But three hundred and sixty dollars a month wasn't bad in those days. It was in 1949.

Swent: That was a lot. Did you have a car?

Wilson: Yes. Good car. I had a Ford--Ford sedan: you know, one of those teardrop-looking things that Ford made, one of the early V-8s. I think it was of pre-war vintage.

Swent: And Bev taught school?

Wilson: Yes, she taught school.

Swent: Right there? She didn't have far to go?

Wilson: The schoolhouse was not far from where we lived, within walking distance. She taught second or third grades.

Swent: Small classes, I suppose.

Wilson: We should ask her about that, but I think she might have had twenty kids in the two classes.

Swent: Did you come home for lunch?

Wilson: Well, we had--. Hmm, I've forgotten some of these things. They served lunch at the mess hall in the boarding house. I think, for the most part, I had lunch there. I think they served lunch for something like fifty cents or twenty-five cents a day. They had a boarding house near the mill where the single men stayed.

I started work as a surveyor in the mine. There was a good deal of construction work going on: they were moving a crushing plant at that time. So that first summer I did the surveying for the crushing plant, and then did the work to keep the mine maps up to date.

Swent: What sort of equipment were you using for surveying?

Wilson: Well, transit and level, I suppose--standard stuff for those days, nothing modern like the surveyors use today.

Swent: Plane table?

Wilson: I may have done some plane table work laying out haul roads, but most of it was transit work.

Swent: What did you wear? What kind of clothes did you wear?

Wilson: Well, that's an interesting question.

Swent: That was before t-shirts and blue jeans, I think.

Wilson: No, it wasn't before blue jeans.

Swent: Well, yes, but before they were so popular.

Wilson: I think I wore Levi's--

Swent: Did you? Or khakis?

Wilson: I think I wore Levi's when I was working in the mine and cotton work shirts. When I went to work in the smelter I wore khakis--the cheapest I could buy. I think we bought them at Sears because they'd burn off me so often.

Swent: Safety shoes? Safety hats?

Wilson: Yes. We used hightop boots with the steel caps on the toes.

Swent: Were they provided for you, or did you have to pay for them?

Wilson: We had to buy them.

Swent: Hard hats?

Wilson: We wore hard hats in the mine.

Swent: What were they made of?

Wilson: I think fiberglass, I'm not sure. I suppose quite similar to the hard hats we wear today.

Swent: They weren't as pretty. They didn't come in decorator colors in those days, did they?

Wilson: No, they sure didn't. You know that. [laughs]

Swent: Dark brown, weren't they?

Wilson: I suppose.

Swent: Safety glasses?

Wilson: Yes, I wore safety glasses. Of course, I think that almost all the lenses that we wear today are what they used to call safety glasses: they're plastic and don't shatter.

Swent: Were you given safety training?

Wilson: Yes, they did. But I'd had a mine rescue class when I was going to UC Berkeley. It seems to me that I may have taught the class in mine safety at Stibnite. I'm a little bit foggy on that.

Swent: What about the Bradleys? Did you have any contact with them?

Wilson: Quite a bit. The company was owned by the Bradley family and--

Swent: Had you known them?

Wilson: Jack Bradley was the family member who managed the mining activities for the family, so he was--

Swent: Where did he live?

Wilson: He lived in San Francisco.

Swent: Had you met him?

Wilson: No, I didn't know him.

Swent: Did he come up to the mine?

Wilson: He came quite often, yes. Shortly after I arrived, they began construction of the smelter, which was a significant investment for them and a departure for the mine. Up to that point, they were selling concentrate to a smelter in southern California. So I think Jack Bradley was there during summertime, often watching the progress of construction.

Swent: Were you still there when the automobile accident happened? [Jack Bradley and his wife were killed in an automobile accident.]

Wilson: Do you remember the year?

Swent: No.

Wilson: No, I don't either.

Swent: It was--

Wilson: I'm sure that by that time I was working for Utah.

Swent: I was thinking it was about 1950 when they--

Wilson: Do you think so?

Swent: Maybe later.

Wilson: Well, I don't know. But it occurred after I left, so it didn't matter. I left there in '51.

Swent: I was thinking of what the effect of that would have been on the company and on the mine.

Wilson: Well, by that time, see, the mine was winding down and closed in '52--just the year after I left.

Swent: Did they recoup their investment on the smelter?

Wilson: I don't know; I doubt it. Because that smelter ran three, four years. I believe they began to operate it--could it have been the summer of '49? I think probably so. '50, '51; it was shut down in '52. Market conditions shut it down. There was still quite a bit of ore left in the pit.

Swent: I want to talk about the smelter in a minute. But before we get to that, you mentioned flying up there with your friend Griswold, but then you also were a pilot, weren't you?

Wilson: I learned to fly at Boise. In those days, the veterans of World War II were granted some money for education; and I had some left over when I graduated, so I applied that to flying lessons. I soloed in Boise.

Swent: How far away is Boise?

Wilson: I think it was right at a hundred miles by road. No, it's a hundred miles by air. I think it was almost a three-and-a-half- or four-hour drive.

Swent: So you would drive down there on your day off?

Wilson: Well, we didn't get many days off. In the summertime, we worked twelve days and then had two days off.

Swent: Eight-hour days?

Wilson: Yes. The theory was you couldn't go anyplace in one day, so you might as well put two weeks back-to-back and have two days to go no place.

Swent: In the winter, this changed?

Wilson: Boy, I'm really foggy on this.

Swent: Most people worked a six-day week then.

Wilson: I was on a six-day week. Whether we switched to a six-day week or did that twelve-on/two-off, I don't really remember.

Swent: So how did you manage the flying lessons?

Wilson: I didn't fly a heck of a lot. After I left and moved to California, little kids were coming along, and I really couldn't afford to fly, couldn't afford to rent an airplane.

Swent: But you did get your license there.

Wilson: Yes, I did. But it lapsed after I moved.

Swent: Did you ever have your own airplane?

Wilson: No. Years later, I did it all over again here in California.

The Smelter and Industrial Health Hazards

Swent: Let's talk about the smelter. You were smelter foreman, and then smelter superintendent. You were going to talk about some of the health problems at the smelter.

Wilson: The industrial health hazards in smelters were not generally recognized in those days. Of course they knew that the fellows working around mercury would get heavy-metal poisoning, and those in the lead smelters, but it wasn't understood how all this came about. And the smelter in Stibnite, with the high arsenic content of the ore, there were just an awful lot of arsenic oxides floating around the atmosphere. Let's see--.

Swent: I was going to ask just a little bit about the mechanics of the smelter. You had a crusher and then ore going in--

Wilson: Well, the smelter was on the tail end of the concentrator. First, you have the concentrator, where the ore--crushed at the pit, hauled by truck some two miles to the mill, to the concentrator--is ground and treated by flotation to separate--the end product was two concentrates, arsenopyrite concentrate and an antimony concentrate. Those concentrates were then stockpiled, allowed to dry, and then conveyed from the stockpile to the roaster building.

Swent: Were there hazards in the mill?

Wilson: No, no, not at all. No industrial health problems. But once you got these arsenic sulphides and antimony sulphides in the roaster, then you began the oxidation process. As a result of that, you had arsenic oxide and antimony oxide filling the roaster building like a fog.

Swent: They were roasted separately.

Wilson: Yes, they were roasted separately.

Swent: Two separate circuits? I guess you don't call it a circuit.

Wilson: We had two large Herschoff roasters.

Swent: And you are driving off the gases?

Wilson: The mineral arsenopyrite is an iron arsenic sulphide, and stibnite is an antimony sulphide. The roasting process is to oxidize the sulphide, in order to provide a feed for the reduction furnace. The off gases from the roasters were ducted to a bag house, where



the arsenic and antimony oxides were collected. Those oxides then made up part of the charge that went into the electric furnace.

Swent: But there was leakage or escaping throughout the system.

Wilson: Oh yes, but the bag house was the worst place. The roaster building and the bag house were the worst part of it.

Let me back up a little bit. I'll go back through the process. The calcine concentrate from the roaster was combined with the oxides collected in the bag house, and charged into the electric furnace. So there was a great deal of metal oxide leakage out of the electric furnace--and that's where the antimony or the metal was tapped from the furnace. It contained from three to--extreme conditions--almost twenty percent arsenic. Arsenic was oxidized from the antimony in small reverberatory furnaces, using compressed air. The arsenic was once again oxidized. Although we had dust collection equipment, still there was an awful lot of that stuff floating around.

Swent: Did you wear masks?

Wilson: I think the operators who were operating the reverberatory furnaces wore some sort of breathing apparatus.

I don't think they were generally used in the smelter. Of course, that then led to a good deal of problems arising out of the heavy metal poisoning. First thing that went was the little division called the septum, the division between your nostrils. In extreme cases, the body absorbed the arsenic and antimony, and that affected the kidneys. That's where I got in trouble.

#### Wilson's Historic and Painful Treatment for Kidney Poisoning

Wilson: I think it was probably in '50, 1950, that I began to report into the doctor. By this time, the doctor was checking everyone who worked in the smelter, he would take weekly samples of hair and fingernails, as well as blood samples--ship them off to be analyzed and to keep track of the health of the work force. Well, he called me in one day, and he said, "You've got a problem. Your kidneys." I think I had probably gone to him, feeling terrible and the kidneys were about to fail. And he said that he would treat that condition with a drug called BAL, which is British anti-lewisite [dimercaprol]. He said, "It's been used four times in the United States. As yet, no one has survived."

I said, "Well, what's the alternative?"



He said, "You're not going to last long."

Swent: And you were not particularly aware of this?

Wilson: No.

So he said, "We have not used this before, and I don't know what's going to happen." Bev was teaching school, and he said, should I call Bev; and I said, "No, let's go."

He gave me a shot in the buttock and it was the most excruciating pain I ever felt. I remember lying on this hospital bed on my stomach. He had cinched me down on the bed with a sort of a canvas vest. He tied my hands to the railings on this bed. He tied my feet. I was really cinched up. He gave me a shot. My goodness, it hurt. And I twisted the iron pipes of the bedsteads; I just pulled them off. I got a shot of that stuff every thirty minutes. The reaction was an exothermic reaction: the drug interacted with the metal in the muscle cells and created heat; as the drug began to solubilize the metal in the cells, this heat progressed from my rear end down to my feet, and up the top of my head.

##

Swent: All over your body.

Wilson: Yes.

The first two hours--the first four shots--were terrible. And then the pain began to diminish. I guess it was that my kidneys began to work; I began passing the heavy metal in the urine. So that was quite an experience.

Swent: Was this a company doctor, a company hospital?

Wilson: Yes. Company doctor, company hospital. We were sure fortunate that he recognized the potential for problems there and was ready to treat it.

Swent: Were you the only person that had this problem?

Wilson: Subsequently, there were, I think, three others that had problems similar to mine. By that time, then, he had everybody wearing respirators and trying to take care of themselves in the smelter. I was the fifth one in the United States to be shot with BAL, the first one to survive. The others had been in mercury operations, and I expect they were too far gone to respond. But it left no ill effects.

Swent: That's the kind of distinction you could well do without. But what an experience. My! And you continued to work there then.

Wilson: I'm trying to think of the doctor's name. I guess it was Mortensen.

Swent: Mortensen?

Wilson: Mortensen--who left and practiced in Salt Lake City. So while this was going on, recuperating, I did not go back to the smelter. I did something else. I think I worked in the laboratory, and subsequently went back to the smelter.

Swent: You did? That took some courage.

Wilson: [chuckles] I don't know; I was too dumb to understand what was going on.

Lifelong Friendships Made in Stibnite: Clarkson, DeMoss, Wallace

Swent: You make good friends in a place like that.

Wilson: Sure do.

We made friends there who, today, are our best friends.

Swent: People that you worked with up there.

Wilson: Sure. Bob Clarkson was chief engineer when I went to work at the mine. He and his family live in Reno today. Bev and Edna Clarkson talk over the telephone every other day or so. Bob started a company called the Clarkson Company--manufacturer of slurry valves.

Swent: It's well known, very successful. He's a lot older than you, though, isn't he?

Wilson: Yes, he is. Bob is eighty-five. Eighty-five this year, and still a lot of fun. Ed DeMoss and his wife Annabelle. They worked for Utah and retired some time ago, live in Idaho. Keith Wallace--Alice--worked for Utah and--

Swent: You brought them along with you to Utah?

Wilson: Yes. We'll get into that history of how we got to Utah.



## V WORKING FOR MOLYBDENUM CORPORATION, 1951-1954

Mountain Pass Mine, Near Nipton, California

Swent: Well, is it time to go to MolyCorp then?

Wilson: All right.

Swent: How did that come about?

Wilson: As the mine was winding down, Harold Bailey was the manager of the Yellow Pine Mine at Stibnite. And he was hired by Molybdenum Corporation of America to manage the Mountain Pass Mine. This was a deposit of bastnesite, which is a rare-earth oxide. MolyCorp was controlled by a man named Marx Hersch, who owned Ronson Company, the lighter manufacturer.

Swent: I tried to find out something about MolyCorp and I was surprised to find how little information there is.

Wilson: Yes, MolyCorp disappeared, see. MolyCorp owned a molybdenum mine in New Mexico called the Questa Mine. Union Oil Company bought MolyCorp. I think their main interest was that Questa Mine. I think Union Oil bought them in the sixties, so MolyCorp went out of existence quite a while ago.

Swent: They still use the name.

Wilson: I think they do.

Swent: And they're also connected somehow with Pato in Colombia?

Wilson: Maybe. Perhaps so, although I can't help you on that one.

Swent: Molybdenum, the mineral, was just the hottest thing around for a few years there.

Wilson: Yes, that's right.

Swent: But you were not mining molybdenum.

Wilson: No, we were not mining molybdenum. We were mining rare-earth oxides.

Swent: For Grace Company?

Wilson: That was the time when television sets were just being developed and one of the rare-earth metals, lanthanum, was being used as the color phosphor in the television tubes. That was a principal, desirable, economic metal of that rare-earth group.

Swent: Well, those TV tubes have gone out completely now, of course.

Wilson: That was in '51 that I started working there--December '51. I was mill superintendent.

#### Mill Superintendent

Swent: Where is Mountain Pass?

Wilson: Near Nipton, California. On the highway between Barstow and Las Vegas, near the Nevada border.

Swent: Quite a change from Stibnite!

Wilson: Yes, I should say it was. I'll find a map around and show it to you.

Swent: What did that involve?

Wilson: Well, it was a small open-pit mine: standard crushing. We separated the rare-earth minerals by flotation process, which really didn't work very well. For the first, oh I guess, almost the first year, it was touch and go whether the mine would continue operating. We developed a flotation process that worked quite efficiently, saved the mine's bacon, and the operation is still functioning.

Swent: It is? You went in as mill superintendent to solve the problems?

Wilson: Well, to start the mill. They thought they had the problems solved; but when we started the mill and we tried to produce an acceptable concentrate, it was very difficult. It wasn't until--

Swent: It had not been operating before.

Wilson: No.

Swent: I see. A brand new operation.

Wilson: There was a metallurgist who worked for Denver Equipment Company, the principal manufacturer of flotation cells in those days, named Jim Lange. You may have met him.

Swent: I've heard the name.

Wilson: Jim Lange. Jim worked with me and a metallurgist named Herb Woodward. We developed a process that required heating the feed to the flotation cells to just about the boiling point. Once that was done, an acceptable concentrate was made.

Swent: This was developed after the mill was built.

Wilson: Yes, after the mill was built; it was a lot better.

Swent: Were you in on the planning of the mill?

Wilson: I was there on the construction of the mill, but not the process development. Process development had been done by some laboratory in the East that didn't really know what they were doing. But we had a lot of fun out there. We lived in a trailer house with three children.

#### Living in a Trailer with Three Children

Swent: That cements a relationship, doesn't it?

Wilson: Either that or it tears it apart. [chuckles]

Swent: Right.

Wilson: But first, when I first started work there, Bev lived in San Bernardino and I guess we were back to the old twelve-and-two system, spend twelve days at the mine and then spend a two-day weekend in San Bernardino. Subsequently then MolyCorp bought some trailer houses, so we moved into a trailer house. We had a little bitty shower in the trailer house; when I dropped the soap on the floor, I had to get clear out of the shower and pick it up. That was a real experience.

Swent: What was your water supply?

Wilson: We developed water up at the head of a canyon, about three miles from the mine and were able to develop enough water to operate the mill and provide potable water for the camp.

Swent: How big a camp was it?

Wilson: Total employees may have been fifty or sixty, so it was a small operation. And many of those would have been either local or single men. I think probably there were--gee, I don't remember, not many--maybe eight to ten families living there.

Swent: What did you do for social life?

Wilson: Went to Las Vegas. Saw some great shows. We were only sixty miles from Las Vegas, so if some entertainer of note was in Las Vegas, we could get in and out without any problem.

Swent: Did you get babysitters?

Wilson: Yes. We had friends there who took care of the children when we'd go to town. Later, we moved to a ghost town called Good Springs.

Swent: Good Springs?

Wilson: Good Springs, Nevada. A ghost town. This had been a mining town; there had been in the past zinc operations there. The town had been probably a hundred houses, a little more. Then when we got there, I think there were four families living in that town.

Swent: But they were houses?

Wilson: They were houses. We lived in a house. We were very glad to get out of that trailer. That was terrible.

Swent: How old were your children then?

Wilson: Well, by that time, let's see--

Swent: You went with Molybdenum 1951 to '54. You were there three years.

Wilson: When we moved there we had two children. Our youngest was born in San Bernardino--well actually, I guess was born in Tulare, but we were living in San Bernardino at that time. So the ages ranged from--let's see--she may have been a year old at the time we moved, to five.

Swent: So school was not a--.



Wilson: School was not a problem.

Swent: Health care? Where did you go for that?

Wilson: Las Vegas.

Swent: Why San Bernardino?

Wilson: I think we were there because the manager, Harold Bailey, lived in San Bernardino, and one other employee had settled his family in San Bernardino.

Swent: That was quite a ways away.

Wilson: Yes. Then we moved into a trailer house; then we moved to Good Springs.

Swent: Wood stove? No.

Wilson: Good Springs? No, I don't think so.

Swent: No trees.

Wilson: Probably--

Swent: Butane, maybe.

Wilson: I'll bet it was propane. Yes.

Swent: So you got the mill operating acceptably--

Wilson: We finally got it running.

#### Tony Mecia Comes to Visit and Recruit for a Job with Utah

Wilson: And then sometime in early 1954, was it?--a visit by my old friend from Stibnite days, Tony Mecia, came by to say hello, and mentioned as an afterthought that he had gone to work for Utah Construction Company. And--

Swent: What was he doing out there visiting you?

Wilson: He came to see if he could encourage me to move to San Francisco. He lived at that time here in Los Altos.

Swent: And he had been up at Stibnite?

Wilson: Yes. He'd been manager of the Ima Mine, which was an underground scheelite operation in Pacimeroy Valley in eastern Idaho. I guess he'd come to Stibnite when they shut the Ima Mine down. He had Betty and three children; lived at Stibnite; and he was assistant mine manager.

Swent: At the Yellow Pine.

Wilson: Yes.

So anyway, it must have been in the spring of 1954 Tony came to visit and said they needed someone in San Francisco. I overnighted with them here in Los Altos and went to San Francisco. Was interviewed by Allen Christensen, who was then president of the Utah Construction Company.

Swent: Their offices were in a different place at that time.

Wilson: The office was in the Crocker Building on Market Street.

## VI UTAH CONSTRUCTION COMPANY, 1954

Metallurgist, Argonaut Mine, Vancouver Island, BC

- Wilson: Apparently Allen liked what he heard, because he offered me the job and I accepted, and went to work for Utah in June, 1954.
- Swent: What did you know about Utah?
- Wilson: Well, I knew quite a bit about it from its construction history. Utah had figured in all of the big reclamation projects in the West as I was growing up: Boulder Dam, Grand Coulee Dam, Hoover Dam. I was impressed and I was really happy to have an opportunity to go to work for that company.
- Swent: They were just beginning to branch out into mining?
- Wilson: They had an iron ore mine on Vancouver Island and an iron ore mine in Cedar City, Utah. And at Cedar City, they operated a mine owned by Colorado Fuel and Iron Corporation.
- Swent: So what were you hired to do?
- Wilson: I was a metallurgist. I was hired to see what was wrong with the iron ore mine on Vancouver Island, BC. Utah had operated these mines with construction folks; and I think when Tony joined them, they had one man on the payroll who had had experience in mining. About the time they hired Tony Mecia, they employed Weston Bourret, who was an exploration geologist. They were having trouble with the plant on Vancouver Island in producing iron ore of sufficient grade to meet the specifications.
- Swent: Was this the Texada Mine?
- Wilson: No, Texada was owned by Allen Christensen himself. This was the Argonaut Mine, Campbell River.

So that chore, you know, turned out to be a very simple one. The problem was that they were using magnetic pulleys on belts to separate magnetite from waste rock; and the ore simply hadn't been crushed fine enough to liberate the magnetite from waste rock. It meant putting in wet magnetic separators, crushing the ore down about a quarter inch, and it worked fine.

Swent: This was something new for you to get into, wasn't it?

Wilson: Yes, it was, but it was kind of up my alley with the metallurgical education background that I had.

Swent: So you went up to Vancouver to work on this too?

Wilson: I did. The day I was hired I was on an airplane going to Campbell River. For some reason or other, no one had told me to check in at the personnel office; so they didn't know where I was and they didn't know where to send the paycheck.

Swent: Was your family still down in Good Springs?

Wilson: No, we had moved. We lived in Mill Valley; we rented a house in Mill Valley and were happy to get to the city.

Swent: So you were commuting. How did you commute from Mill Valley in those days?

Wilson: By bus.

I guess we decided to move from Mill Valley when it was taking me longer to get from the airport to my home by public transportation than it did by aircraft from Vancouver to San Francisco. I guess it was probably in 1956, we moved to Palo Alto.

Swent: To be near the--

Wilson: To be near the airport.

Swent: You were spending much of your time away, then.

Wilson: Well, I mentioned this Argonaut Mine. Shortly thereafter, Utah bought an interest in the Lucky Mc Uranium Corporation.

The Lucky Mc Uranium Mine, Wyoming, and Learning New Metallurgy

Swent: This was the heyday of uranium, wasn't it?

Wilson: Sure was. And it took a contract with Lucky Mc Uranium Corporation to develop-- I have to be careful about this, now; just to get everything in the proper order. I think Utah contracted with Lucky Mc to operate the mine, build the plant, the concentrator, and design the process--and subsequently then bought an interest.

##

Swent: In 1955, they had an option on 60 percent of the capital stock on Lucky Mc. And then in 1956 they exercised the option. They were already--of course, Marcona was already formed and they were doing construction on Mount Isa in '56, '55. So you came in '54. And really, all they had in mining at that point was the coal and the iron.

Wilson: No coal. Well, I wasn't involved in it. They operated, for CF&I [Colorado Fuel & Irons], a coal mine in Arkansas.

Swent: Philpott?

Wilson: Philpott.

Swent: But you weren't involved with that.

Wilson: I wasn't initially. I did become involved in that coal operation later.

Swent: But your first involvement was with the--

Wilson: Vancouver Island, yes.

Swent: And then the Lucky Mc. So uranium metallurgy was something else again.

Wilson: I spent three months at the Atomic Energy Commission pilot plant operation in Golden, Colorado. Almost three months, I guess. To get an understanding of uranium metallurgy. There I met Charlie MacArthur, who was head of that operation and later came to work for Utah. Let's stop here a minute and let's try to get things a little better. We're rambling, or I'm rambling, and I'm not quite--.

Swent: You want me to stop?

Wilson: Yes. [pause]

Swent: So when you came on board, they had--

Wilson: --the Argonaut mine, producing iron ore for sale to Japan, from Campbell River, British Columbia.

Swent: And that was actually a Canadian operation.

Wilson: Yes. At Cedar City, Utah, the company owned the iron ore mine called Iron Mountain, and operated under contract with CF&I, the Desert Mound. Those iron ore operations had been opened up during World War II to supply iron ore to the Columbia Geneva plant at Provo, Utah.

Swent: They were still economical after the war?

Wilson: No, they were shut down after the war. CF&I bought the mines, and I don't know what happened to the plant in Utah.

Swent: They didn't have the same kind of iron metallurgical problems that you had up in Vancouver?

Wilson: No, this was hematite. Was it? No, we had some sort of magnetic separation there, so it had to be magnetite. No, they didn't have the problem meeting the grade that they did at the Argonaut mine.

Swent: Marcona had already been set up in '53.

Wilson: Utah and Cyprus mines had formed Marcona in 1953.

When I went to work for Utah, Chuck Robinson was managing the Marcona operation from the Utah offices in San Francisco.

Swent: This was a separate--a subsidiary or--?

Wilson: It was a joint venture operation owned equally by Utah and Cyprus Mines Corporation. Allen Christensen had two or three percent interest in it, as did one of the Cyprus people. Later then, Marcona developed its own organization and acted independently from Utah.

Swent: So were you involved with that at this point?

Wilson: No, I was not. Though I do remember that one of the things that I did early on at the request of Allen Christensen, was to keep track of the grades of iron ore produced at Marcona. Every morning over the telex, he would get a report from the mine giving the previous day's production and chemical analysis of the iron

ore. That made Chuck a little nervous, I think. He called me in one day and he said, "Anybody having anything to do with Marcona is going to work for Chuck Robinson."

So the only thing I could say is, "Talk to Mr. Christensen. I'm just doing what I'm told."

Swent: Did you continue that?

Wilson: I think I did for a while.

Shortly after all of this, then I became involved in the uranium. Tony sent me to the Atomic Energy pilot plant. Then we began designing the mill. We set up a design office in Palo Alto, operated by Rod Hunt.

#### The Ion Exchange Processing Plant at Lucky Mc

Swent: What kind of mill did you come up with?

Wilson: This was a--[pause]. This was an ion exchange plant.

Swent: An ion exchange plant. Okay. It cost seven and a half million dollars.

Wilson: Yes. We finally got that thing up and running in-- Do you have a date?

Swent: Well, it was scheduled to complete by the spring of '58.

Wilson: In the meantime, I'd been involved in negotiating a contract to sell uranium to the Atomic Energy Commission [AEC]. Boy, that's really foggy. It's a long time ago.

Swent: Where did you do that? Did you have to go to Washington or Grand Junction?

Wilson: Grand Junction.

Swent: Who were you negotiating with? Who was there?

Wilson: Well, I can't remember the name, but it'll come to me while we're talking. Do you remember some of those folks?

Swent: Lee Erdahl?



Wilson: He was around. God, where would I find that? Let's not get hung up on that.

Swent: That doesn't matter. Was it hard to get a contract negotiated?

Wilson: Well, really, we were negotiating for price. Like most government contracts, you had to negotiate on the basis of cost plus something, which presumably was profit. So my job was to be sure that I could convince the Atomic Energy Commission that our costs were going to be as high as possible. Their job was to negotiate the costs down. I think we finally settled on something like nine dollars a pound, or nine dollars and fifty cents a pound, which was a bonanza for Lucky Mc operation. The first month that mill operated, we made a little bit over a million dollars before taxes, net profit.

Swent: It was a fantastic success, wasn't it?

Wilson: Oh, boy, I should say it was!

Swent: Everything worked just the way you expected it to.

Wilson: Everything worked. It was the success of the Lucky Mc operation that really brought Utah Construction Company into the mining business.

Swent: Did you do all of your own development in-house? You didn't contract out?

Wilson: We contracted some of the pilot work with the pilot plant at Grand Junction. But the Grand Junction metallurgists had developed the process, and we really used--

Swent: By "Grand Junction" you mean "AEC".

Wilson: Yes. We really used their process and specifications.

Swent: By then they had had a lot of experience.

Wilson: Yes. They had developed this ion exchange process that worked extraordinarily well.

Swent: Your ore was an oxide ore.

Wilson: Yes, it was uranium oxide.

Swent: Of course, you had your own construction arm--

Wilson: We designed, set up our own design facility and built it with our own construction people.

One of the interesting things that occurred on that job was that in the design office, for some reason, the mine office was drawn improperly oriented. Instead of redrawing the floor plan of the office, the design fellow just changed the direction of the north arrow. On most plans, the north arrow is pointing up; so the construction fellows, when they laid out the foundations for the office building, they just assumed that the top of the print was toward the north. I got out there after the concrete was poured, took a look at it and said, "Oh my gosh! You got this thing backwards." But it was too late to change it at that point.

Swent: So you were stuck with it?

Wilson: Well, we were stuck with an office that's improperly oriented, but we thought we'd manage.

Swent: What difference would it make?

Wilson: I think we had--our original plan was to have the manager's office located in a corner of the building in which he could see the plant and the haul road. But he got stuck with a good view of the parking lot. It wasn't critical.

Swent: Who were some of the people that were involved in that?

Wilson: John Anderson was manager of the mine, and he was an ex-Yellow Pine mine fellow. Lowell Morfeld worked there; he was one of the discoverers of the mine. Niel McNeice and Lowell Morfeld, working together, had discovered the Lucky Mc uranium deposit. Lowell and I became good friends; back in those days, did a lot of hunting together. Let's see, who else was there? Let's not get bogged down with that. You have names there?

Swent: No, I don't. Not on this list, anyway.

Wilson: I can do some research on that.

Swent: Just that it was completed and the results equalled or exceeded all your plans and the debt payment was accelerated. Everything worked like a charm.

Wilson: Utah borrowed ten million dollars, which was a lot of money in those days. We paid that ten million off in short order.

Swent: Well, it's kind of hard to remember now, but in--well, this was what? In 1957 and '58 we really thought that atomic energy was going to--

Wilson: --take over the world. The power would be--

Swent: --the solution to all the problems. Cheap, clean--.

Wilson: But you know, even then, some were becoming concerned about what to do with the waste. I can remember hearing or reading something of some meeting in which one physicist proposed that we put it in rockets and shoot it out to space. Maybe that would have worked, I don't know. The waste disposal problem was really what undid the whole electrical energy production plan.

Swent: You were selling your entire production to the AEC at that time.

Wilson: The AEC was the only buyer at that time. It wasn't until later that a market was developed for uranium oxide.

Swent: Was there much concern for health hazards, industrial health hazards there at the mill?

Wilson: Yes, there was. Everyone wore little photographic plate badges. Once a week, those were sent off to the AEC to develop the exposure criterion personal. Handling the uranium oxide, at that point, there was very little radiation developed. In the mine, there was low radiation from radon gas. There was--

Swent: Was this an open pit?

Wilson: Yes, it was open pit. There was a minute amount of radioactive uranium isotope occurring naturally in the ore, which went out to the tailings. But exposure in the mill was limited.

Swent: There was some underground operation up there, wasn't there?

Wilson: We had a small underground operation that we had acquired from Phelps Dodge. I think we called it the Green Mountain Mine. That was small; it really didn't amount to much. We later developed an open pit operation there.

Swent: That's much less hazardous.

Wilson: Yes, that's right. Utah's exploration organization discovered uranium in Shirley Basin, south of Casper.

Swent: Is that the Gas Hills?

Wilson: No. The Gas Hills locations was Lucky Mc.

Swent: That's Lucky Mc, okay. They use these terms sort of interchangeably.

Wilson: The other we called the Shirley Basin mine.

Swent: Did that involve planning a processing plant also?

Wilson: Yes, we put a similar plant into Shirley Basin. I've forgotten the dates; maybe in some of your research, you have--

Swent: Well, Shirley Basin is mentioned in '58.

Wilson: Let's not even get bogged down in that one either.

Swent: Underground shaft mining in Shirley Basin in 1960.

Wilson: That's right, yes.

Swent: I guess it was exploration before then, maybe.

Wilson: Well, we had started mining there before 1960.

Swent: New underground shaft mining--in '60.

Wilson: In '60?

Swent: And your contract with AEC was through 1966, it says, but I'm not sure if you used the same contract.

Wilson: No, we developed another contract for the Shirley Basin operation. Shirley Basin started as an underground mine; subsequently then, we developed an open pit.

Swent: What was your responsibility, then?

Wilson: Not sure what my title was at that point. I was officed in Palo Alto. By this time, the mining department had been formed. Tony Mecia, manager, and I guess I was manager of the uranium operations at that point.

Swent: The name was changed to Utah Construction and Mining in 1958 or 1959--a whole change in emphasis.

Wilson: Yes, that's right.

Swent: Was Christensen connected with the founders of the company?

Wilson: Allen Christensen's father was the first construction man hired by Utah Construction, I've been told. I think his job was to do the construction of the Western Pacific Railroad. Then, see, Utah was formed by Marriner Eccles, the Eccles family--with the Dees and Brownings. Christensen had acquired a substantial amount of stock in Utah--by that time, through his father I presume.

Swent: Was he actually related to one of those four families?

Wilson: No. He was not.

Swent: But was from Utah originally; got in early with the company.

Wilson: Turn this off. [tape interruption]

Swent: Okay, so '58 was when Lucky Mc really went on stream.

Wilson: Yes, that's right. And Shirley Basin, I guess, in late '59.

Swent: A little later. And the company name was changed in '50 to Utah Construction and Mining Company. Was the office moved? 100 Bush Street.

Wilson: That was the principal office of Utah. The mining office was in Palo Alto, on El Camino and Stanford Avenue. Tony Mecia was manager of the mining division, which had been formed within that last year or so. I was manager of uranium operations. In January of 1960, Tony was killed in an Utah airplane accident, in Milford Canyon, Utah.

#### Tony Mecia's Fatal Plane Accident, 1960

Swent: What happened?

Wilson: The plane, attempting to--

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Wilson: They were attempting to go into Cedar City, Utah, and let down through the overcast, over the Milford beacon; and then went up canyon, and the ceiling lowered. The plane attempted to turn in the canyon and crashed on the side of the canyon in the turn. Killed Tony Mecia and Homer Mann. Keith Wallace and Barney Greenlee survived that accident.

Swent: They were burned, though, weren't they?

Wilson: Beg pardon?

Swent: Were they badly burned?

Wilson: Barney was burned on the side of his face. Keith was burned on the back and the backs of his legs. Shortly after Tony's death, Littlefield made me manager of the mining division and the--. What? I don't know what to say now.

Swent: Well, had Littlefield joined the company very recently?

Wilson: Christensen had left by this time. No. Is that right?

Swent: Littlefield first came in, I think, in 1961.

Wilson: Oh, no, Littlefield was there. Littlefield came into Utah in the late fifties, because he had to do the financing for the Lucky Mc operation.

Swent: Was he an officer?

Wilson: He was. He was chief finance officer.

Swent: He became president in '61.

Wilson: That's right.

Swent: You became vice president in '61. Mecia was vice president and Homer Mann was director of mining services.

Wilson: It must have been late in 1960 that I took over responsibility for the mining operations, for the mining division.

Swent: And you were made vice president at this same time?

Wilson: Yes. I guess so.

Swent: That came with the job. And Christensen--

Wilson: And by that time, Christensen had left.

Swent: He retired after thirty years.

Wilson: And then Littlefield was president.

Swent: And general manager. Albert Reeves was senior vice president. Christensen had developed Marcona and also the Vancouver Island?

Wilson: Yes.



Utah's Offices in Palo Alto and San Francisco, California

[Interview 3: July 12, 1996] ##

Swent: We're picking up the interview again now. We've gotten you up to your employment with Utah and up to Mecia's airplane accident, but I thought we ought to backtrack a bit. I'm interested in the actual physical setup of your office. Now the headquarters was in San Francisco, and you were based down here on the Peninsula.

Wilson: The headquarters were in the Shell Building. And the mining operations were based in Palo Alto, at the intersection of El Camino Real and Stanford Avenue, in what had been a doctor's office. It lent itself pretty well, without remodeling, to the kind of operation we had.

Swent: How big a building was it?

Wilson: Well, Lee, I'm not sure, but it housed probably twelve men plus secretaries.

Swent: You had parking--

Wilson: Yes, we had adequate parking. It was located here on the Peninsula because most of the people working there lived either in Los Altos, Palo Alto, or Menlo Park. The exploration office was in Menlo Park; that was headed by Weston Bourret.

Swent: That was the other thing I wanted to ask. The other divisions were scattered also, but you were near the exploration division. Why had they chosen to live there on the Peninsula? The offices were put there because the people lived there, but why?

Wilson: Why did the people choose to live here? Well, it's much better than living in San Francisco. It was considered--

Swent: But there were people who had been commuting to San Francisco at an earlier period?

Wilson: Perhaps so. I'm really not sure about what happens. You see, when I joined the company, this mining--what we called the mining operations division--was just beginning to be formed. I was the second one on board, after Tony Mecia.

Swent: Oh. So these ten people came on after?

Wilson: Yes, and then it was just after that year or two that we built up the staff.



Swent: When you first came on board, there were only two people in this building in Palo Alto?

Wilson: Well, probably by that time there were three of us when we rented the building in Palo Alto.

Swent: Were you in on the renting of it?

Wilson: Yes.

Swent: I see. You shopped around and--

Wilson: I think that we had outgrown the space that was available to us in the Shell building. So it was relocate someplace else--and rather than relocate in San Francisco, we relocated down here to make it convenient for ourselves. Another thing that perhaps influenced that too: Allen Christensen lived in Atherton, and he had direct interest in all of this mining business that was going on; so I think he was not averse to seeing the location on the Peninsula.

Swent: Although his office was still in the city.

Wilson: In San Francisco, yes.

Swent: Who else was the head now? Of course, Littlefield lived down here as well, didn't he?

Wilson: Yes. Christensen was president. Ed Littlefield was chief finance officer; I think financial vice president was his title. Chuck Davis was manager of the construction operation.

Swent: Where did he live?

Wilson: Chuck lived in Atherton also. Charles McGraw was second in command of the construction organization. He lived in Marin County.

Swent: Did he continue to live in Marin County?

Wilson: Yes; of course, he reported to San Francisco. Weston Bourret was manager of exploration; he officed in Menlo Park.

Swent: And where did he live?

Wilson: Either Atherton or Menlo Park.

Swent: Of course, USGS [United States Geological Survey] is in Menlo Park. That helped them.

Wilson: Yes, that was a good location for him.

Swent: Were these people Stanford-connected?

Wilson: In some respects. I say in some respects: a number of them were Stanford graduates. As far as direct connection to Stanford facilities, I don't think that there was one.

Swent: What about the real estate, the land development group?

Wilson: Well, at that time, there was one man who was kind of a one-man office, officed in San Francisco. Perhaps it was a two-man office.

Swent: Hadn't they begun Bay Farm Island at that time?

Wilson: No, at the time I joined the company, they were just beginning to acquire dredges to do some contract work in the bay. Bay Farm Island was either in the planning stage-- Must have been, because within a year or two after I joined the company, then the dredging the Bay Farm Island commenced.

Swent: And that was directed out of San Francisco?

Wilson: San Francisco, yes. The dredging operations were conducted by a man named Walter Lutholtz.

Swent: I'm trying to get some sense of how things sort of meshed. You began living in Marin County and then you felt it was more convenient to move down here. Did people play golf together or have lunch together?

Wilson: There may have been some golf playing; but down in my level, it was all work and very little play at that point. Now, you named the communication between the outlying offices and San Francisco--

Swent: I'm thinking of that, and also how some of these other alliances were made. I mean, there was a historical connection between Utah and Bechtel, for instance and--

Wilson: Well, that went back a long time before my time.

Swent: Sure. So were the Utah and Bechtel people still--where were they talking to each other? You know, we talk about networking now; they didn't use that word then.

Wilson: Well, companies like Bechtel by this time had become a very significant engineering concern. MK, Morrison-Knudsen, was a

heavy construction company with which Utah had joint ventured a number of projects in the past. So there was always business.

Swent: But the offices that were in San Francisco were near each other; sometimes this leads to business alliances as well.

Wilson: Lee, I can't remember. At that time, I was a junior engineer; what went on out of the president's office, I could only conjecture. But the construction and engineering business was a relatively small business; and everybody knew everybody else by first name. So it was interconnected. Jobs would come up that required more financing than any one company was willing to undertake--and perhaps more risk than one company was willing to undertake; they would band together, one way or another, in construction joint ventures. These companies were either competing against each other or working together.

#### Separating the Construction and Mining Divisions

Swent: And people were sometimes moving from one company to another as well?

Wilson: I suppose so. As far as communication within Utah Construction Company was concerned--

Let's back up a little bit. The principal activity of the Utah Construction Company in 1954 was construction. The idea of separating the mining activity from the construction activity was not universally acclaimed. The construction folks thought that they could operate the Argonaut Mine and the Iron Springs Mine in Cedar City better than most anyone else. This mining organization was in its infancy in 1954 with Bourret and Mecia; and all reported directly to Allen Christensen, so there was not much communication with the construction folks.

Swent: When you first were hired, they were all still in San Francisco?

Wilson: Yes. The construction organization operated the iron ore mines and the coal mines, Ozark-Philpott Mines. To illustrate what was going on at that time: Allen Christensen asked Tony Mecia to take me and go out and look at the Cedar City operation. Cedar City was managed by the construction organization in Salt Lake City. We had to go to Salt Lake City to obtain that organization's approval to go to Cedar City. And it took us two days to do so--two days to get into see the--

Swent: This was Utah's construction office?

Wilson: Remember this was The Utah Construction Company in those days.

Swent: Right--and they still had a headquarters of a division in Salt Lake City?

Wilson: Yes, Salt Lake City. They were doing a great deal of work for Kennecott in Bingham Canyon. And also about that time, were doing the fill across the lake for the Southern Pacific Railroad.

Swent: They had operations all over, even in the East, didn't they? And those were run out of Salt Lake City.

Wilson: Yes.

Swent: Who was head there?

Wilson: The man's name was Paulson. I've forgotten his first name.

Swent: So you and Mecia had to go up there--

Wilson: --to obtain Paulson's approval. It was reluctantly given, I guess, because we cooled our heels for two days. I think we were looked on as outsiders, intruders.

Swent: Within the company.

Wilson: Yes.

Swent: What sort of office did they have in Salt Lake City? Was it downtown?

Wilson: Oh, I forget. It was downtown. I don't remember the address. It seems to me that it was about four blocks from the Hotel Utah, near the First Security Bank.

Swent: Paulson had a beautiful office, did he?

Wilson: Oh, yes. It was a very nice setup. As I recall, relatively large; it might have had, oh, forty, fifty people working there.

Swent: Receptionists and closed doors to the offices?

Wilson: Yes. All very impressive.

Swent: Where did they eat lunch?

Wilson: In restaurants around town, I suppose.

Swent: I see. You don't recall eating lunch there?

Wilson: No. No. We weren't invited to lunch. [laughs]

Swent: Oh, you weren't? Okay. Well, this is significant; sometimes that's very significant. So you just sat around and waited for a while?

Wilson: Well, after a while, the concerns lessened. We became welcome in the Salt Lake City office, but that was kind of hard to start with. I think one of the problems too--Allen Christensen was the kind of manager who wished to manage everything and kind of keep his activities and people separate from each other.

Swent: That's one management style, isn't it?

Wilson: Yes.

When Tony Mecia died and shortly thereafter it was decided to move the mining and exploration activities into San Francisco--

Swent: Who decided that?

Wilson: I think it was Ed Littlefield who decided that. It was, in my view, a proper decision to put them together, because by that time Lucky Mc uranium was coming on. There was a great deal of activity by the exploration division--

Swent: I'd like to move back, just a bit, and then talk a little more about the accident. So the office down here was opened up in--you came in '54--it was '55 or '56, maybe?

Wilson: Well, I think it was opened up about that time. That must have been '55.

Swent: So it was several years here?

Wilson: Yes.

Swent: And it was a former doctor's office. Did Tony, for instance, have a bigger office than anybody else? What was the--?

Wilson: Well, yes, I think his corner office was--.

Swent: Okay, the boss usually has the corner office, right?

Wilson: Yes. And I had the other corner office.

Swent: Okay. And then there were little cubicles for other people.

Wilson: Yes, there were smaller offices.

Swent: And were the doors kept closed?

Wilson: --two, three, four--I don't think so.

Swent: A corridor down the middle?

Wilson: Corridor down the middle, yes.

Swent: And a secretary at the front door? A receptionist or--? Well, you tell me what.

Wilson: This is 1954. [chuckles] That's a long time ago.

Swent: Well, I'm trying to get a feeling for how--

Wilson: Well, it was a very unregimented sort of an office. Anyone could walk into anyone's office at any time.

Swent: All right. That's significant. What did you wear to work?

Wilson: We wore suits, shirts, and ties. We dressed up like businessmen.

Swent: Okay.

Wilson: There was a good deal of interaction with San Francisco.

Swent: Ok, that was my next question.

Wilson: The accountants were in San Francisco. Payroll folks-- As this Palo Alto office grew larger, then there was a considerable travel between Palo Alto and San Francisco.

Swent: All right. And how did you do that?

Wilson: By automobile.

Swent: Did Tony have to go to San Francisco--?

Wilson: He did.

Swent: Daily?

Wilson: No, not daily. Once or twice a week, I suppose.

Swent: This is pre-fax, isn't it? There weren't faxes.

Wilson: That's right. Telephone.



Swent: Telephone--

Wilson: And mail.

Swent: And mail. Did you need to go to San Francisco, you personally?

Wilson: I did; I don't quite remember. I think all my trips to San Francisco had to do with the Lucky Mc Uranium enterprise. I think it had to do with preparing reports for the board, I suppose. I went up to report to the board.

Swent: Did you go to board meetings?

Wilson: Yes. And executive committee meetings.

Swent: Were you out in the field a good deal of the time?

Wilson: Yes, I spent most of my time, most of the week, at Lucky Mc. I would leave here on Sunday night; spend Monday and Tuesday; come back on Wednesday; spend time in the office; and back again.

#### The Cedar City, Utah, Iron Mines

Swent: So you went down to Cedar City--we're backtracking again a bit--but how did you feel about the construction people running the--?

Wilson: I think they were doing a great job. The problem at Cedar City was that the high-grade direct shipping ore was beginning to diminish. There was a real problem in maintaining ore grade, both for the contract mines, an operation for CF&I, and the Iron Springs production which went to Kaiser Steel. Christensen sent Mecia down there--and Mecia took me--in an attempt to determine what could be done to improve the ore grade.

Swent: You introduced some new equipment, didn't you, there?

Wilson: Well, that came later.

Swent: So it was a problem of maintaining the ore grade, and how did you do that?

Wilson: This was a prelude to developing a mining organization and operation for construction folks that eventually took place. I'm not sure when, but I think it was about the [static]--



Swent: You said Tony was given the responsibility, then, moved in other words from Salt Lake out here--

Wilson: Probably '56, '57, I think.

Swent: That was a big change.

Wilson: Yes, it was.

Swent: You've got by '59 the name of the company was changed, so that's a really rapid change in direction. Kind of exciting?

Wilson: It was for me--a lot of fun.

Swent: What was the labor situation there? Vancouver Island--of course that was Canadian: were there unions there?

Wilson: No. We operated the Argonaut Mine non-union.

Swent: What about Cedar City?

Wilson: That was a union operation. The Operating Engineers.

Swent: There were strikes at the end of the war? There were two years of strikes that paralyzed things.

Wilson: Yes. Sure, that's right. The railroads went on strike, the--

Swent: How did the Utah operations go?

Wilson: You know, immediately after the war I was not on board.

#### Good Relations with the Operating Engineers Union

Swent: Right. But what was your sense of the union situation there in Cedar City?

Wilson: It was good. We had good relations with the Operating Engineers. In my experience, we had a strike at Lucky Mc; we had one strike in Cedar City.

Swent: Was that Operating Engineers at Lucky Mc?

Wilson: Yes, it was.

Swent: I see.

Wilson: The company liked to work with the Operating Engineers and tried to keep the Teamsters out of the--. The Teamsters were always a source of problems. I don't know. Lee, I just--it's hard to remember. We had a problem with the Teamsters attempting to become certified at Lucky Mc.

Swent: This must have been later.

Wilson: Later than what?

Swent: Well, we aren't even up to 1960 in my mind yet. I still--

Wilson: Okay, all right, we're still--

Swent: I was wondering how come you were not on that plane?

Wilson: I was at Lucky Mc.

Swent: You were up there.

Wilson: Yes. That was my responsibility, you see. It was the uranium mine operation.

Swent: So you had no more to do with the coal?

Wilson: No.

Swent: The other question I'm wondering: [Neil] McNeice? What was his connection with Utah? Why did he bring this to Utah?

##

Wilson: Let's back up a little bit. You want to talk about Lucky Mc?

Swent: Well, are we ready for that? I guess so.

Wilson: Well, up to you.

Swent: No, it's your call; you're the--. By now we have a mining division in Palo Alto, with twelve people--or, have we gotten up to that yet?

Wilson: Yes we've gotten to that point, because we've gotten to the Utah acquisition of 60 percent of Lucky Mc.

Swent: Were you aware that that was going on, or was that all handled up in San Francisco?

Wilson: Well, the details of the acquisition were handled in San Francisco.

Swent: Sure. Did you go out to look at it?

Wilson: Yes.

Swent: Before they acquired it?

Wilson: Yes.

Swent: Harry Cranmer had it?

Wilson: No, Lucky Mc Uranium Corporation was owned by Neil McNeice, Lowell Morfeld, a Riverton lawyer whose name I can't remember, and Harry Cranmer. In those days, Cranmer was a promoter of small mining operations. The Lucky Mc Uranium Corporation was a publicly held company; shares were traded over the counter. And it was Harry Cranmer who brought Lucky Mc to Utah's attention, to whom and how I'm really not sure. I expect that it was to the Salt Lake City office and then went to Christensen. Christensen and Cranmer met together.

Swent: It's interesting because there was a pretty close connection between Cranmer and Homestake.

Wilson: Is that right?

Swent: Sylvia McLaughlin is his niece.

Wilson: Is Sylvia Harry's niece?

Swent: Yes, her maiden name was Cranmer.

Wilson: Is that right? Oh, for heaven sakes. He'd been involved in some of the mining activity in the state of Utah.

Swent: At Park City.

Wilson: Park City.

Swent: So, yes, it would be natural for Utah Company to--.

Wilson: How the deal was put together, I really don't know--I mean, the deal for Utah to acquire interest in the company. I worked on the team that evaluated the ore deposit; that was mainly the exploration group.

Beginning to Develop the Lucky Mc

Swent: How far along was the development at that time?

Wilson: It wasn't far along at all. No, we just got in. Utah headed up the drilling that delineated the ore body. At the time there had been a little drilling done around the discovery, around the outcrop; but not much was known about the extent of the ore body until Utah took over.

Swent: Was the drilling part of the construction arm or part of the mining arm?

Wilson: Oh, it was mining arm. That was conducted by Weston Bourret's organization out of--by this time they had an office in Denver, Colorado. Homer Mann was in charge of that office.

Swent: What was it called? Exploration?

Wilson: I think exploration.

Swent: I see. What kind of drilling did they do?

Wilson: It was rotary drilling, the reverse circulation rotary drilling. One notable thing that took place at a similar time was that it got so cold out there that they couldn't maintain circulation because the water would freeze. So instead of water they used fuel oil.

Swent: Well! So they got cuttings, then, that-- And where were they analyzed?

Wilson: In Denver.

Swent: How did you ship them?

Wilson: I don't know.

Swent: How did you get up there? Did you fly to some place?

Wilson: Frontier Air Lines operated out of Salt Lake City to Riverton; and also to Denver so there was direct air from either Riverton or Casper, to both Denver and Salt Lake.

Swent: Utah had airplanes, or an airplane.

Wilson: We had one, but we working guys didn't use that airplane.

Swent: I see. So you would leave SFO--

Wilson: Go to Salt Lake City; change planes; and go on to--.

Swent: Car, jeep?

Wilson: Yes. We had an office in Riverton. The Gas Hills, where this Lucky Mc deposit occurred, was forty miles or so east of Riverton.

Swent: Was there a staff house there? Where did you sleep?

Wilson: At that time, I guess we had an exploration camp at Riverton--I mean at the Gas Hills; but there were no facilities for part-time folks, so we'd commute from town.

Swent: From Riverton?

Wilson: Yes.

Swent: Was there other activity in the area going on out of Riverton?

Wilson: There was a lot of uranium activity. Riverton was kind of the seat of it. There was drilling being conducted in that Gas Hills area by probably--gee, I don't know--four or five companies. I don't know whether Homestake got involved out there. I don't think they did.

Swent: I don't know.

Wilson: Union Carbide was involved.

Swent: You would go up Sunday night to Riverton, and stay in--

Wilson: Get to Riverton at about--it seemed to me that the plane got in about nine p.m. Stayed at the hotel.

Swent: What was the hotel? Do you remember?

Wilson: No, I don't.

Swent: Not a motel.

Wilson: I can find out. No, it was a hotel; it was an old, country-town hotel.

Swent: How many stories?

Wilson: Probably four.

- Swent: Did you keep a permanent room there?
- Wilson: No. We did subsequently when that hotel built a motel nearby. Then we rented a room there permanently.
- Swent: Did you have to pack a lunch out to the mine?
- Wilson: At that time, yes, I think we did. I don't think we had much in the way of kitchen facilities out there.
- Swent: Pretty fierce weather in that country, both summer and winter.
- Wilson: It was tough, wintertime. Summertime was okay. Wintertime--cold, cold winds; temperatures down to twenty below.
- Swent: So what were you doing when you went up there?
- Wilson: That's a good question. I think I was assessing the progress of the exploration activities and beginning some preliminary site locations.
- Swent: You coordinated things with Bourret and Mecia, then?
- Wilson: Yes. Well, I was taking the information that the geologists under Bourret were developing, and developing some engineering concepts from that. You begin to get the feel of a mineral deposit early on in the drilling. You can get: "Where is it?" "Where is it likely to be?" So that first winter, we hit both sides of it. I think by spring, we had it pretty well delineated. But then the engineers took over.
- Swent: How do you decide when it's geology and when it's engineers, when it's handed off from one to the other?
- Wilson: Boy, there's no clear cut answer to that question. Lee, I think you know that that--
- Swent: Sometimes there are little turf wars.
- Wilson: Sometimes there is a turf war over development.
- Swent: Was there some of this?
- Wilson: No, I don't think so. There's always reluctance from the geologists to give up responsibility for a project, but it's inevitable that it comes about. I always felt kind of sorry for the geologists: they had to go move on then, and spend another deadly winter someplace while the engineers moved in and built their insulated quarters, got the cooks in, and lived pretty well.

Swent: Had all the fun.

Wilson: About that time, the exploration had pretty well delineated the ore body, and we had a sense of what was there and how much was there. We then began facilities design.

Swent: When was this?

Wilson: Fifty-six, maybe. Fifty-seven? Two years.

Swent: You exercised the option in-- The long-term contract was reported in the 1956 annual report. Financing for construction and working capital--design, construction, operation of mill and mining--that was all in the '56 annual report, so the work must have been done. So you started your site--

Wilson: I think it took us a year to get to that point. That year was devoted mainly to exploration.

Swent: What sort of geography is there? Is it a basin?

Wilson: Well, it's a sedimentary basin.

Swent: Were there problems locating your facilities?

Wilson: No, not really. Once we nailed down the location of the ore body, then everything else fell in place pretty quickly.

Swent: Drainage?

Wilson: It was really a pretty easy setup.

Swent: Is there a river there?

Wilson: No, no river there. There was a dry wash that we used for the tailings pond.

Swent: So this was before the days of environmental impact statements and all that, wasn't it?

Wilson: Sure was. Boy, life was easy in those days. You had the county planning commission to deal with, and the state something commission to deal with.

Swent: What county is it in?

Wilson: Fremont County. And we had the Bureau of Land Management. This was on public land. We patented the claims and acquired title to the claims early in the activity.



Swent: That had not been done?

Wilson: No.

Swent: How did you decide what size mill to build?

Wilson: That came out of negotiations with the Atomic Energy Commission. Of course, the deciding factor was the size of the ore body, what did we have to deal with. The rate of production was worked out with the AEC.

Swent: You said that you went to Golden and took a course.

Wilson: Three months there in Golden.

Swent: So you decided, then, what kind of mill?

Wilson: Yes.

Swent: You personally?

Wilson: Yes. We set up a design engineering facility in Palo Alto to design the facilities, but we used, essentially, the process that had been developed at the pilot plant in Golden by the Atomic Energy Commission.

Swent: How did this relate--or did it?--relate at all to the construction that you'd been doing in Grants? That was earlier: you were building the Homestake-Sapin Mill down there.

Wilson: Yes. I wasn't involved in that.

Swent: That was carbonate leach.

Wilson: Yes. I visited that operation. That carbonate leach process was selected for that operation because the uranium occurred in carbonate rock, and it would have been uneconomic to try and use acid.

The Lucky Mc ore was amenable to acid treatment. It was leached in hydrochloric acid. The effluent was filtered and passed through an ion exchange resin contained in cylindrical tanks. The resin was then treated with an ammonia solution to remove the uranium, and then precipitated the yellow cake by adjusting the pH of the solution.

Swent: And the yellow cake was also sent to the AEC?

Wilson: Beg your pardon?

Swent: Everything was sold to the AEC at that time.

Wilson: Yes, that's right. That uranium oxide, yellow cake, it was bright yellow-- $\text{U}_3\text{O}_8$ . It was put in steel drums and transported to the AEC and I guess their receiving.

Swent: Did they have a buying station in Riverton?

Wilson: They did, but I think ours was shipped back East someplace.

Swent: Tennessee, maybe?

Wilson: Perhaps so.

Swent: There was something in Illinois, wasn't there?

Wilson: I don't know. The buying station in Riverton bought high-grade ore.

Swent: Right. Not yellow cake.

Wilson: No.

#### Health and Safety in Working with Uranium; Smoking

Swent: What about radiation?

Wilson: You know in handling yellow cake that there was no radiation problem because the radioactive uranium isotope that occurred naturally in the ore was not collected; it went out to the tails.

Swent: Were there any precautions taken?

Wilson: Yes, very much so: respirators used--

Swent: In the mill.

Wilson: Yes. Folks working in the mill wore the little badges that were checked weekly for radiation exposure.

Swent: What about the mine?

Wilson: It may have been that we used badges in the mine. Of course, this was all open pit; we were not underground and we had no radon gas problem. As I recall at that time, nobody was very concerned about that. Nobody was concerned at all in the mine.

Swent: People were still smoking?

Wilson: Sure.

Swent: Did you smoke?

Wilson: Yes. Smoking was a way of life in those days, you know.

Swent: What did you smoke--pipe, cigarette?

Wilson: I smoked cigarettes.

Swent: How many?

Wilson: Well, it kind of depends. Probably two packs a day. When I became an executive, then I went to four packs a day with cigarettes burning in half a dozen ashtrays in the office.

Swent: When did you quit?

Wilson: Probably about '62, '63, or '64 something.

Swent: You were early.

Wilson: Yes.

Swent: Why?

Wilson: Well, I began to get some sinus problems. I quit smoking quite often. You know it's pretty easy to quit. The first time, the first cigarette I had when I got to San Francisco, my sinuses would pop and crack. You feel like it was swelling up and it was just kind of uncomfortable. That prompted me to quit. It wasn't the threat of lung problems or emphysema; it was just that it created an uncomfortable sinus situation.

Swent: You said when you first went to San Francisco, when you moved.

Wilson: Well, when we lived here and the office moved to San Francisco, I commuted by train. I would quit the night before, quit smoking; and I finally succumbed to the first cigarette when I got off the train. We're getting ahead of the story.

Swent: Well, yes, but I was thinking we were talking about the radiation hazards. And that led to the thought of the complication of smoking and lung cancer.

Wilson: But you know in those days, no one thought that smoking could create a health problem. But the movies--you know, the actresses and actors were always smoking and puffing away--

Swent: You had to smoke to look sophisticated.

### Staffing the Operation

Swent: How did you get employees at Lucky Mc? This is out in the wilds; there weren't people living there.

Wilson: No. We housed our people in Riverton. We contracted with a bus service to bus the people from Riverton to the mine and back. We studied the possibility of putting a camp in Riverton--decided against it.

Swent: A camp in Riverton?

Wilson: I mean at Lucky Mc. Decided against it.

Swent: Why?

Wilson: Logistics. When you put camps in, that means you've got responsibility for an awful lot of things. And the numbers of employees were not sufficiently large to warrant medical and-- [pause for telephone call] In the wintertime out there, there were just miserable conditions with the cold, winds, and [it was] much better to be in a settled community.

Swent: Did you have to build houses, then, in Riverton?

Wilson: You know, I don't think we did. We may have built a few; we bought some houses. And then the employees found living accommodations on their own.

Swent: Did you contract some employment service? How did you get employees?

Wilson: Our staff--our manager out there was John Anderson.

Swent: Had he been at Stibnite?

Wilson: Yes.

##

Swent: You were saying that Anderson went from Stibnite to Boulder City--

Wilson: John went from Stibnite to Boulder City--

Swent: Manganese?

Wilson: Yes.

Swent: Was that Bradley also?

Wilson: No, that was not Bradley. John joined us as manager and we hired a man named Ian Ritchie, who was working in the uranium plants of Rio Algom in Canada. Ian came--

Swent: How did you hear about him?

Wilson: He applied for a job. Ian was plant superintendent. The equipment operators and plant operators were mainly local folks.

Swent: Really. You could get local people that were trained?

Wilson: By local, I mean in that part of the state, now; not all of them came from Riverton, but there had been a lot of construction activity in that area, so there was a reasonable supply of experienced equipment operators. That was no problem.

Swent: What kind of equipment were you getting?

Wilson: We used scrapers and front end loaders for the mining operation.

Swent: Any particular brand?

Wilson: Well, the orange paint of Caterpillar was pretty predominant around that thing.

Swent: I would think there might have been some cooperation with your construction division.

Wilson: There was; and we had a number of the folks out of the construction division who came to work there. Let's see: the construction organization built the facility and did the initial stripping, and that initial stripping was done by scrapers. So by the time the mining operation took over, the mine organization was pretty well in place. One of the great things about working for a company like Utah: you always had available to you people experienced in dirt moving--good ones.

Swent: We're up to 1960, then. This airplane accident was a major shift, wasn't it?

Wilson: Oh, sure was--major. Tony Mecia was one of my closest friends, and it was a real shock. Terrible.

Swent: Where were you when you heard about it?

Wilson: I was in the San Francisco office. I think I said earlier that I was in Riverton, but that's not right because I was in the San Francisco office when the telephone call came in from Milford. The word I had then: the two pilots survived and two of the passengers were killed. The pilot called in. I was asked to come down and tell Tony's wife, Betty. I did so, and then I went over to tell Alice Wallace that her husband had been seriously injured. I didn't know how serious, but then I knew that he was in the hospital there.

Swent: Both families lived down here.

Wilson: Yes. The Wallaces lived in Los Altos, over toward Mountain View. And the Mecias lived up in the hills. Well, that was tough from a personal point of view and then from an organizational point of view it was really difficult for the company.

Swent: Who was the other person who was killed?

Wilson: Homer Mann.

Swent: Did they live here also?

Wilson: They lived in Atherton.

Swent: But you didn't have to tell his wife?

Wilson: No, Wes Bourret, I think, went to talk to Helen. Helen was his wife. So that was kind of tough, but then, shortly after that--this was some time during 1960--Allen Christensen left the company. Ed Littlefield became the president and general manager; and he consolidated. We moved from the Shell building to the Cahill building at 550 California Street, where we had enough room to bring everybody in. So that it was there in that office that the exploration and mining activities were consolidated with the rest of the company.

Swent: Construction?

Wilson: Yes.

Swent: Engineers, draftsmen, move as well?

Wilson: No, we left the engineers down here. Our design facilities were in a building on the Stanford industrial grounds, not far from here.

Swent: And they stayed here, did they?

Wilson: Yes. The dates are a little bit hazy.

Swent: Well, we can probably check them later.

Wilson: And it was about that time that the company reorganized then into divisions.

Swent: Was this just a de facto name change? Or was it a real organizational change?

Wilson: It had its advantage in really delineating responsibilities.

Swent: Their land development was getting very big about that time.

Wilson: Yes, it was.

Swent: And shipping.

Wilson: Shipping was Marcona. But when the company was reorganized, it reorganized into construction, mining, and land development. That must have taken place in '64, '65.

Swent: In '61--these are notes from annual reports--the '61 annual report says that there were three basic types of operation at that time: construction, land development, and mining--of which mining was the most profitable. And then in '62, the basic elements now included ocean shipping and dredging; but the major source of profit was from mining.

Wilson: They must have borrowed that ocean shipping from Marcona.





VII HEADING THE MINING DIVISION, UTAH CONSTRUCTION AND MINING  
COMPANY, 1963

Getting to Know Edmund Littlefield

Swent: Then in '63--well, I guess I can't tell from my notes when this reorganization took place. How did the change from Christensen to Littlefield affect you?

Wilson: Well, of course, I'm sure it was a problem for Littlefield getting to know me. He had of course known Tony and had a lot of confidence in him. So it took us a while to become accustomed to each other; but then it didn't take long for us to fall into place.

Swent: You moved your office up to San Francisco when? About that same time?

Wilson: As soon as we moved from the Shell building to 550 California, the early sixties.

Swent: Corner office?

Wilson: No, I didn't have a corner office; corner offices were occupied by senior vice presidents. My title then was manager of mining operations. And Weston Bourret was manager of geology and exploration.

Swent: Well, you became a vice president--in '61, you were vice president.

Wilson: That's when the move to San Francisco took place.

Swent: Christensen retired; Littlefield became president, and you became vice president--and Bourret, Crossley, and Vaughan. There were lots of vice presidents, I see.

Wilson: Yes, in those days, vice presidents were a dime a dozen. That's a fallout from the construction division more than anything; they had to have a vice president to sign documents. So we had vice presidents and senior vice presidents. You were really not important until you became a senior vice president.

Swent: They expanded. I guess this must have been Littlefield's idea: the officers were expanded from nine to twelve.

Wilson: I think that was his.

Swent: So these were the senior and non-senior vice presidents. So Lucky Mc was still your major activity, was it?

Wilson: It was. By that time, we had begun to develop the Navajo Mine--

Swent: This is at Four Corners.

Wilson: Yes.

#### The Navajo Mine at Four Corners

Swent: Do you want to talk about that?

Wilson: The Navajo Mine? This was a bituminous coal deposit on the Navajo Indian reservation. The company acquired a lease from the Bureau of Indian Affairs and--

Swent: How did that come about?

Wilson: I'm not quite sure; that lease acquisition was done by Homer Mann and Wes Bourret when I was occupied by Lucky Mc. But a contract was entered into with Arizona Public Service Company to provide fuel to a mine-mouth power plant that APS was to build.

Swent: What kind of power plant?

Wilson: Mine-mouth. The power plant was built at the mine.

Swent: That was a very long contract, as I recall, wasn't it?

Wilson: Still operating under--

Swent: Thirty-five year contract. Is that unusually long?

Wilson: Not for a mine-mouth power plant situation, where the utility company builds the power plant. It has to be assured that it has sufficient fuel to operate that power plant long enough to amortize it. But from Utah's point of view, yes, that was a pretty long contract. I think we renegotiated the contract once while I was still working for the company, and I think it has been renegotiated a second time.

Swent: Why?

Wilson: Decline of power usage and lower fuel consumption. But at the time that contract was entered into, that was the lowest cost fuel--I guess, period--the lowest cost fuel of any power plant operating in the country. Subsequently then the coal deposits in Montana, North Dakota were developed which proved to be lower cost than this Navajo mine. But the mine is still operating; the power plant's operating.

Swent: Why were those others lower cost?

Wilson: Well, the nature of the coal occurrence: thicker seams and more flatly lying; easier stripping.

Swent: Was the coal itself different?

Wilson: Oh, it was. I think it was more of a sub-bituminous--I'm not sure.

Swent: Would labor costs enter into that as well?

Wilson: I doubt it. I think the difference in cost was simply the nature of the occurrence of coal seams.

Swent: How did this involve you?

Wilson: By this time I was manager of mining operations, so the operations of the Navajo Mine were my responsibility.

Swent: You had people reporting directly to you from each operation?

Wilson: Well, to begin with, yes. Al Geiger was the manager of the Navajo Mine. He had been manager of the Argonaut Mine when it was operated by the construction folks.

Swent: Had Argonaut closed?

Wilson: The Argonaut closed by that time.

Swent: Were you still involved with Argonaut when it closed?

Wilson: Yes. I was.

Swent: How do you decide when to close a mine?

Wilson: When you run out of ore, run out of contract--or both.

Swent: Sometimes it's not that clearcut, either.

Wilson: The Argonaut Mine, though, it was clearcut. We wound up the Argonaut Mine under a contract which sold the magnetite to one of the Japanese steel mills--Nippon Steel. It's interesting to note that the contract with Nippon Steel, the first contract Utah had for the sale of iron ore from Argonaut, was the first long-term contract entered into by the Japanese steel industry after World War II. And that was for four years. That was the first iron ore that was used by the Japanese steel industry after the war.

Let's go on.

Swent: Okay. I was asking about the people that reported to you when you were manager of operations, mining operations. You said Al Geiger from Navajo and Anderson at Lucky Mc--

Wilson: John Anderson at Lucky Mc.

Swent: And Cedar City?

Wilson: And Ralph Long was out there in Cedar City.

Swent: Now did you still have the Arkansas?

Wilson: The Arkansas mine was shut down.

Swent: And Marcona was--?

Wilson: Marcona was not any of my concern. Marcona was operated separately. By this time, it separated from Utah. To begin with, the manager of Marcona was Chuck Robinson; he reported to Allen Christensen. About the time that Allen left, then Marcona became a separate entity.

Swent: But still Utah participation--?

Wilson: Well, it participated. The Utah participation in Marcona was at board level, not at the operating level. And it was only some years later that I became a director of Marcona.

Swent: At this period, it was not a part of your life.

- Wilson: Well, it very much was a part of my life because we were competing. About this time, we were trying to sell iron ore from a planned operation in Nevada. And Keith Wallace and I were in Japan negotiating with the Japanese steel mills when Marcona concluded that Utah's involvement in the Japanese iron ore thing would be a conflict of interest, and so there was an implied threat by Cyprus to sue Utah. That thing fell apart.
- Swent: How did you know about this?
- Wilson: I knew about it because I was in Japan negotiating the contract, and I received a call from Al Reeves, who was the head of Utah's legal operation, telling me to fold up my tent and come home; it was all over. I was very, very upset about that development. That iron deposit is still sitting over south of Reno and east of Carson City. I've forgotten what we called that thing. But now it's a housing development, so it will never be mined.
- Swent: You never did develop it?
- Wilson: No, we didn't.
- Swent: Did Utah do the housing project?
- Wilson: No. I think we relinquished the mining claim, and subsequently then--[interrupted by telephone call]
- Swent: Did you still have anything in the East, in the other parts of the United States? Was there any mining?
- Wilson: No, no we didn't. I hesitate a little bit because I think it was about this time that we had to shut down the Ozark-Philpott mine, again for lack of economic coal.
- Swent: You had Lucky Mc and then you also, at some point, you got the other--
- Wilson: Cedar City was operating. We were still producing iron ore for a contract with CF&I. We were shipping the Iron Springs ore to Kaiser Steel.
- Swent: Was Ralph Long in charge of that?
- Wilson: Ralph Long was in charge of that.
- Swent: Australia was still exploration.
- Wilson: I think that exploration office was established in 1960 in Melbourne.

Swent: Was this Bourret's idea?

Wilson: It was Christensen's idea. We had been involved there for a long time with the construction in Australia.

Swent: Was that in Queensland?

Wilson: No, it was in New South Wales; one of the larger projects that Utah did was the Eildon Weir, a large earth-filled dam project. And then--

Swent: Snowy Mountain Scheme, they called it.

Wilson: Snowy Mountain Scheme, yes. Involved dams and hydroelectric plants.

Swent: Had you visited there, or seen any of this?

Wilson: I made my first trip in 1960 to Australia.

Swent: Where did you go?

Wilson: I went to Melbourne and the man who headed that office was Dick Ellett.

##

Wilson: Ellett was exploring the Mt. Goldsworthy mine. Anyway, shortly thereafter we formed a joint venture with Cyprus and Consolidated Goldfields.

Swent: Where was Cyprus headquartered at that time?

Wilson: Los Angeles.

Swent: And Consolidated Goldfields was in--?

Wilson: London.

Swent: How did this come about?

Wilson: First, because Utah and Cyprus were joint owners of Marcona. Secondly, because Goldfields was competing with Utah and Cyprus for the lease. You see, in Australia the mineral is owned by the state; and in order to obtain rights to extract that mineral, you had to negotiate a lease with the state. So Utah and Cyprus found themselves competing with Goldfields, and we decided rather than compete with each other to join. And we did so, successfully negotiating the lease.



Swent: But this had all been initiated before you came into the picture?

Wilson: The exploration. The joint venture hadn't yet been formed, but the Utah was exploring Goldsworthy, I think under a right to explore that the state granted. As I recall, we brought the joint venture together a year later.

Swent: In Melbourne, you did your negotiating?

Wilson: No, we did that here either in San Francisco or Los Angeles--negotiating between the three companies--Goldfields, Utah, and Cyprus.

Swent: The Pima joint venture was later, was it?

Wilson: No, that was earlier.

Swent: You already had that with Cyprus, then.

Wilson: Pima was operated by Cyprus. Utah held 25 percent of Pima; Cyprus held 50 percent; and Union Oil Company 25 percent. But that occurred about the time I joined Utah. One of my first jobs was doing the economic analysis of Pima that allowed Utah to make a decision to buy into the company.

Swent: I see. So you did have involvement with Pima, then--you, personally.

Wilson: Tangentially. Later then, well I suppose about that time that I became more active in Pima.

Swent: As manager of operations did you have any--?

Wilson: Well, Lee, I didn't do operations, but I think there was a joint venture board. And as I recall, Littlefield and I were Utah board members. I think probably Tony Mecia had been a board member and I took his place.

Swent: I don't think we want to get started on the Australian story quite yet. Not until we have more time to concentrate on that.

[interrupted by telephone]

Swent: Okay, so, we're getting kind of scattered here. Let's pull things together a bit. You didn't ever work, then, in the office in the Shell building. You didn't go up until they'd already moved to 550 California.

Wilson: That's right.

Swent: And you were given one of the offices--

Wilson: Oh, wait a minute. That's not right. No, I did have an office in the Shell building.

Swent: Oh, did you?

Wilson: So it must have been in '61 that we moved--because I was in the Shell building when the mining department was established. And that was--yes, that was after Tony was killed. So I spent a few months in the Shell building. Sorry I'm getting sort of disjointed--

Swent: Oh, that's okay; that's all right. What was the architecture of the Shell building compared with 550 California?

Wilson: Well of course, in the latter we had more room. We had two floors of the Shell building; the Shell building was not a very large building. I think we took four floors in the 550 California building. As far as the office, offices are offices; they're not much different.

Swent: There could be a difference. Where did you eat lunch?

Wilson: The first year I was in the Shell building, we had a coffee break. We were allowed fifteen minutes coffee break; everybody would leave the office and dash across the street to get a cup of coffee or do shopping or something. And the fifteen minutes kind of became thirty minutes, and then forty-five minutes. When we moved to the 550 California, we hired a catering outfit to bring a little coffee cart around. [chuckle]

Swent: Okay, that was a big change.

Wilson: Yes, it was a big change.

Swent: Productivity improved?

Wilson: Productivity increased markedly. [laughter]

Swent: Did you have your own secretary?

Wilson: I shared a secretary. I guess in the Shell building, there were three of us working on this mining department: Keith Wallace, who had just recently joined us; I think Barney Greenlee had come on board then.

Well, then we shared a secretary. It wasn't until I became quite busy that I thought I could afford to have a secretary doing

my work. I guess we just kind of generally shared secretaries. We were an organization of engineers at that point; engineers aren't prone to do an awful lot of writing and communicating.

Introducing Computerization at Lucky Mc

Swent: Computers were coming in.

Wilson: Not yet. Well, maybe just about that time because we put our first computer in on a trial basis at the Lucky Mc operation.

Swent: What were you computerizing?

Wilson: The accounting, and the payrolls we put on computer.

Swent: There in Riverton?

Wilson: In Riverton. I can remember a meeting in which we went over with the Riverton staff the computer and all the things necessary to make it work properly. A fellow who was our paymaster raised his hand and he said, "We can't do it."

"Why can't we do it?"

He said, "The forms don't fit my binder." [laughter] That became a byword in the company for years after that.

Swent: Was he serious?

Wilson: Yes, he was serious. He was a little guy who had been given a binder that said, "Now this is the way you keep your payroll." If it didn't fit that binder, it's not going to work.

Swent: Were these punch cards?

Wilson: Yes. The first computer application was punch card.

Swent: IBM maybe?

Wilson: I'm sure it was. Yes, the first computer we put into San Francisco was an IBM 360.

Swent: When did you do that? Do you remember whose idea it was?

Wilson: No, I'm not sure when we did it.

- Swent: You had your own--your own computer, though, in the office? You were not farming it out somewhere?
- Wilson: Well, yes, we installed a computer in the office, which was a helluva mistake--a helluva mistake. It cost an awful lot of money. Not only to put it in, but a lot of the cost involved was paying to have the software produced. I think most companies had an awful time, initially, with computer installation.
- Swent: I'm just looking at what you've got here now in your home. You've got two printers, a copy machine, printer, computer, fax.
- Wilson: Well, you can't get along without them these days.
- Swent: And not a one of those things-- You even have an electric pencil sharpener. Not one of those things you could have had in those days! You've come a long way. [laughter]
- Wilson: Yes, I was still using a slide rule in those days.
- Swent: But you put a computer in at Riverton.
- Wilson: We put it in out there because we wanted to try it. No one could swear that it was going to work properly.
- Swent: You got new binders?
- Wilson: [laughter] Yes. We put it in to try and become accustomed to the requirements of data processing, which I think was probably a proper thing to have done.
- Swent: This was payroll first.
- Wilson: We went to payroll first and then accounts payable, and progressed up the line.
- Swent: What about your mine?
- Wilson: Finally, we brought on the cost accounting, which out there proved to be very successful.

"Everything Began Coming to a Head" in the Early 1960s

- Swent: So your responsibilities then were changing. You started--

- Wilson: Changing fairly rapidly, because the mining activities were growing pretty rapidly in the sixties. Everything began to come to a head. Exploration projects were paying off.
- Swent: So your exploration is booming, and you're moving on from metallurgy up into administration.
- Wilson: Yes, that's right. About this point, we had Mt. Goldsworthy joint venture coming into being. We had a very interesting copper exploration project going on in the northern tip of Vancouver Island near Port Hardy. Pretty exciting coal exploration results coming out of Queensland.
- Swent: Goldsworthy is in Western Australia--
- Wilson: Western Australia. And by this time we were operating the Shirley Basin mine, a uranium mine south of Casper.
- Swent: Dredging--who did that? You were dredging in Australia.
- Wilson: That was the construction division [who] were responsible for the dredging operations.
- Swent: You did that early in Australia, didn't you?
- Wilson: Well, the first job for the dredges in Australia was dredging the channel for the entry into Port Hedland. That's where the harbor was built.
- As far as the Utah activities here in the early sixties, things were really heating up. Probably the most exciting part of that was the coal developments in Queensland. We'll talk about that at the next session.
- Swent: That we have to do in a section all by itself. Couple of things: you probably think I'm silly to keep asking this, but where did you eat lunch? Engineer's Club?
- Wilson: In San Francisco--at the Engineer's Club--and I joined the--what's the club in the Ferry Building?
- Swent: World Trade Club.
- Wilson: World Trade Club. Yes. Al Reeves was a director of the World Trade Club, and I decided that would be a pretty good place to eat, so I joined that club. One of my favorite places was Tadich's Bar and Grill.
- Swent: The manager of Tadich's is an old high school friend of mine.

Wilson: Is that right?

Swent: He was. He's retired now. Chris Sentovich was the manager for years. He is from Lead, South Dakota.

Wilson: When I first started going to Tadich's they were on Sacramento Street, and they moved from Sacramento Street to Market Street, they left the old grill behind. Nothing tasted the same after that.

Swent: Great place. So that was where you went to eat. Did you eat with the same people? Was there a group of you that ate lunch together?

Wilson: Not really. Depended on who was in town and what we were doing. Another favorite lunch spot was the German restaurant close to the waterfront.

Swent: I was just wondering whether you had a group that you customarily ate lunch with?

Wilson: Probably; you know, not a group.

Swent: People that you worked with?

Wilson: I don't think it was ever any just one little, select group that went around together.

Swent: Did you have lunch with Littlefield, for instance?

Wilson: Yes. With the construction folks, quite often. Of course, by this time, they were doing a lot of work for us so we had a construction organization doing the work on Mt. Goldsworthy. I guess the planning stage evolved to the design stage for the Island Copper operation of Port Hardy.

Swent: What about banks? Were you dealing a lot with banks?

Wilson: Littlefield was handling the finances.

Swent: You had nothing to do with that yet.

Wilson: Only tangentially. It wasn't until later that I began to--. As I began to get up in the organization, when I became chief operating officer of the company, we had a good fit, Littlefield and I. The finance side of the business was terribly important to us. And I had the operating side; that's the way we worked. It worked well.



Swent: At this point, we were talking early sixties. Were you doing budgets?

Wilson: I was doing my part of the budget. Orville Dykstra was the chief finance officer.

Swent: The people that were reporting to you, like Geiger and Anderson and Long, did they prepare their own budgets?

Wilson: Yes, well, they prepared their own budgets. Those were consolidated by the accountants for the mining operations, and then consolidated into the corporate budget.

Swent: And you had to defend the budget to somebody?

Wilson: Oh, yes. You bet.

Swent: How did that go?

Wilson: It must have gone all right, because I didn't get kicked out. [laughs] By this time, a principal part of my job was to identify the best of the investment opportunities and to attempt to develop the confidence at the board level that would ultimately get us approval for a project budget. My contact with the board was mainly at the executive committee level of the board with Littlefield and Marion Eccles, Al Reeves, Orville Dykstra.

Swent: This is probably a good time to stop. Do you think so?

Wilson: Yes, I've got to get to San Jose.

[Interview 4: November 19, 1996] ##

Swent: You have said that things were all coming to a head in the sixties when we stopped last time, which was a while ago--that's ten days ago, now, that we've not talked. You had just gone to Australia for the first time, out to Mt. Goldsworthy. That was in the early sixties. I don't remember the last date.

Wilson: That was probably 1961.

Swent: The 1961 annual report doesn't even mention Mt. Goldsworthy, so it was--.

Wilson: Well, we actually formalized the joint venture agreement, in 1965. So there was a lot of lead time involved.

Swent: You were working on Port Hedland, organizing that. What was your role out there?



Wilson: My role at that time?

Swent: Yes.

Wilson: I was head of Utah's mining division by that time. I guess we called it a division then. As such it fell to my lot to spend time on the development aspects of the business.

Swent: What does that involve?

Wilson: That involved identifying mineral properties, organizing ownership, finance, and operations--all the fun stuff of the mining business.

#### Putting Together the Mt. Goldsworthy Joint Venture

Swent: Were you involved in putting together the joint venture at Mt. Goldsworthy?

Wilson: Yes, I was. I think, probably--. Well, the legal staff in San Francisco (headed by Albert Reeves) was the contributor of all the legal aspects of joint venture.

Swent: He had just been made senior vice president? Looking at the 1961 report here, Christensen had retired as president and director, Littlefield (former executive vice president and general manager), was elected president and general manager. Mr. Reeves, senior vice president, was elected to fill the vacancy on the board, and was appointed onto the executive committee. So he was already senior vice president, and you were vice president.

So they were trying to put together the joint venture with Cyprus?

Wilson: Cyprus, and Consolidated Goldfields--a London-based mining company with holdings in South Africa.

Swent: Who had the initiative in this? Utah? Or did those other people?

Wilson: The initiative? I'm not quite sure. We worked closely with the people from Cyprus. Utah did the work on the ground. In that respect, I suppose you could say we had the initiative.

Swent: You had the construction?

Wilson: We had a joint venture committee, as I recall. Paul Allen and some gentleman from Goldfields. That committee was great fun. It was a great example of the old saying that a camel is a horse built by committee [laughs]; that was fun. And we got it built, in spite of all the stupid arguments that took place over the years.

Swent: There were just three of you on that committee?

Wilson: Yes.

Swent: You from Utah, Paul Allen from Cyprus, and somebody from Goldfields--an Englishman, presumably?

Wilson: Yes, Jerry Mortimer.

Swent: There were differences in style?

Wilson: Differences in style [pause], and egos involved. It was a good experience for me.

Swent: Do you remember any particular incidents you might mention?

Wilson: No, not really. I don't.

Swent: Where did you meet?

Wilson: Where did we meet? San Francisco, Los Angeles, and London. I think we rotated the venue.

Swent: What sorts of things did you have to thrash out?

Wilson: Oh, technical things. We had to build a railroad, or have a railroad built into the mine. One of the arguments we had was whether to put in bridges over the intermittent stream beds, or as the locals were wont to do, build on the bottom of the stream with the theory that it's easier to reconstruct a road or railroad track that's washed out than it is to reconstruct a bridge. We had big arguments about bridges or low-level crossings, we called it.

Swent: And this was something that your committee--?

Wilson: Oh, yes, our committee did everything. [laughs] We really frustrated the engineers, I'm sure.

Swent: So your joint venture agreement included things to that detail?

Wilson: Well, interestingly enough, after all this, the three of us became--and others of the various companies--really close friends. We had our arguments. It was good. That was a good project.

Swent: How long did it take you to do that?

Wilson: I'm not sure. This committee evolved itself into an operating committee, which acted as a board of directors would function. We had more--. I finally went off the committee. Keith Wallace was Utah's representative. It was a good association--a lot of fun, and that project made money, which helped.

Swent: Does this often happen, that the people who put together a venture continue to operate it?

Wilson: I don't know. I don't see why not. If the folks who run it are engineers and have experience in such things. All of the members of that committee of development and operation were engineers. So that worked out pretty well.

Swent: It seems to me that might be a little unusual.

Wilson: Well, I think I said last time that one of the strengths of Utah was--on the working level at least--the company was run by engineers. Well, I don't think it's unusual. In my experience with other companies, the engineers were doing the work and the finance guys were counting their beans. [laughs]

Swent: I thought maybe you might have more lawyers in on putting together a joint venture.

Wilson: Well, one needs legal advice, but companies are different. Our legal folks showed up when it was necessary to. I don't think Albert Reeves--Albert was brought in as a director of Marcona. Membership of that board was significantly of a legal background. An operating committee is charged with getting the job done.

Swent: I was thinking of the group that just put together the joint venture--that that might be more apt to have a legal cast to it.

Wilson: Of course, the three of us did not put the joint venture together. We were all representing our companies.

Swent: I see.

Wilson: The decision was made to form a joint venture, and then the lawyers do the paperwork, taxmen do their reviews, and then operating guys go out and build it.

- Swent: Did you already have arrangements with the Japanese and with the Australians? That's two questions. With the Japanese, did you already have your markets pretty well arranged?
- Wilson: I'm hesitating now. I'm trying to think of the sequence--. First thing I had to do was to finalize our agreement with Western Australia. The second thing, I believe, on the agenda was sale of iron ores in Japan. Marcona was given the marketing responsibility. We entered into a contract with Japan before we started construction.
- Swent: But after you had your joint venture?
- Wilson: After we had formed the joint venture and negotiated the lease with the Western Australian government.
- Swent: I read somewhere that Australia had prohibited export of iron for a long, long time--export of minerals, I guess, in general. There had been a ruling on the books.
- Wilson: I don't know about that.
- Swent: This was one of the first times that export of minerals had been allowed.
- Wilson: No, I don't think that's correct because BHP was operating a mine up toward the Northern Territories--an iron ore mine. Well, that was for their own, not for export--. I can't answer that question.
- Swent: I wondered if it was a particularly difficult thing to negotiate with the Western Australians--the export.
- Wilson: No, it wasn't. The Premier of Western Australia was a reasonable man to work with, and he had a reasonable political structure in place.
- Swent: What was his name?
- Wilson: Charles Court--the Premier of Western Australia. Whatever Charles Court decided was done.
- Swent: And they had a lot of autonomy vis á vis the national government?
- Wilson: The state government in Australia owns the mineral rights. The federal government must approve an export license. So in order to develop a mine, one has to develop it under the regulations of the state, then must seek an export permit from the federal

government. That export permit is another way of saying, the federal government wants some income from that export.

Swent: But they must approve it, once you have it from the state?

Wilson: Yes, then you have to go to the federal government.

Swent: Did you deal with shires at all, out there?

Wilson: Only on a local basis: building towns, putting in schools.

Swent: I know this came in, in the Bowen Basin, that was more important, but was that an issue out at Goldsworthy?

Wilson: No, it was not--because that area was virtually uninhabited--sheep and aborigines and a few cattle stations.

Swent: But the shire government was not a strong presence?

Wilson: No, it was not.

Swent: Did you build towns there?

Wilson: We built a town at Goldsworthy. We built towns to service all the mines because there were no towns, virtually no inhabitants, in the areas in which we were working.

Swent: So, was Goldsworthy sort of a trial run or preview of what came later in the Bowen Basin?

Wilson: Yes, I think it was a good experience for us.

#### Utah Construction Company's Good Reputation in Australia

Swent: Did you learn anything from it that came in handy later?

Wilson: Well, I'm sure that I learned a lot with respect to working with partners, with the Western Australian Government. We learned a lot about the way business is conducted in Australia.

We were in a good position because the construction folks had been in Australia for ten years by that time, or twelve. They opened their office in 1950, and had built, created, a very good reputation in Australia for the Utah Construction Company. That reputation preceded us and helped us immeasurably.

Swent: Who were some of the people that were doing that?

Wilson: Jim Fogg was the head of Utah's construction business in Australia. They had developed a very large and very talented organization, which in later years we utilized--brought those construction folks in as mine operators and mine managers. Jim Fogg was a great help to us, in introducing us to the politicians in various states and advising us who to do business with. So he was a big help.

Swent: Had you known him long?

Wilson: No, I didn't know Jim Fogg until I got over there. Probably Utah's success in mining was certainly facilitated by the construction folks and their ten years in Australia and the reputation they had built. Australia is a pretty small community. It seemed like everyone, particularly on the state level, knew the company. The company had entered into many construction projects with the various states.

Swent: How did that happen, that Utah went into Australia in the first place?

Wilson: That was before my time. The first occasion for Utah to go to Australia was, the Premier of Victoria (the state of Victoria) opened the bidding for a very large dam, called the Eildon Weir--opened the bidding to international construction companies. That was the first time, I think, that such had been done in Australia. Utah was the successful bidder on that dam, and that brought Utah to Australia in 1950.

Swent: And that was a very significant event.

Wilson: It sure was. The construction business for that ten years was very good. We had a lot of projects in the country.

Swent: Then you came in on the heels of that, as it were. As I understand it, the construction company did the initial development work at Mt. Goldsworthy. Is that right?

Wilson: Yes, I guess Utah Construction folks did that construction work and did the dredging.

Swent: And then the mining division followed along? Or how is that transition--?

Wilson: Well, no, we hired a man to head up the operation, and he built his organization.



Swent: And who was that?

Wilson: A German gentleman, Walter Kober.

Swent: Sometimes those transitions are a little tricky. I'm trying to get a sense of the relationship between the construction division and the mining division. What was your relationship there?

Wilson: It was not a close relationship. There was some friction between the two. The construction folks saw themselves as being the leaders in Australia, and those through whom contact with the various states and federal government should take place. The mining folks thought that was baloney; they were going to do it themselves. We had a few run-ins between the two, but essentially we were separate. The exploration department operated in the building that the construction folks had leased in Melbourne, but generally it was a congenial association--but not a close one; the businesses were different.

Swent: Did you have an office in Perth?

Wilson: Did they? Did the construction folks?

Swent: Anybody. Utah--.

Wilson: Yes, we opened an office in Perth when we hired Walter Kober.

Swent: But that's still a long way out from there to Goldsworthy. So, the people out in the field had to have a lot of--.

Wilson: Yes, it was about a four-hour flight in a DC-3 from Perth up to Port Hedland. Of course, they didn't go very fast.

Well, anyway, that proved to be a successful mining venture. A lot of different people involved, everybody worked together. I thought it was a great demonstration. People of different companies and of somewhat different cultures able to work together for a common cause, that is, to make money.

Goldfields had a company, headquarters of which was located in Sydney. When operations began, that company took over Goldfield's representation on the various committees on the board.

Swent: Did it have a different name? What was it called?

Wilson: I think they called themselves Goldfields of Australia.

Swent: And Cyprus?



Wilson: Cyprus did not have an office out there, did not have--.

Swent: Just you and Goldfields?

Wilson: Yes.

Swent: Would you like to talk about the negotiations with the Japanese at that time for the iron?

Wilson: No, because I don't recall anything specific about the negotiations, and, in fact, it may be that that Goldsworthy sale was implemented through Marcona. I think I did not have any responsibility for the--. I'm sure I had no responsibility for putting that sale together. I think it was done by the Marcona organization.

Swent: And Christensen had just left Marcona. Who took over for him then, there?

Wilson: Ed Littlefield took over for Christensen.

Swent: What was your involvement in getting the tender--they don't use the word lease, do they?--the tender from Western Australia?

Wilson: The tender is the bid--in a little bit broader sense that one uses a construction term. Who was involved in that? [pause] I guess at the early stage, it was someone other than I.

Swent: I guess by the time you became active that was pretty well--.

Wilson: That was an end, at least the--. Probably Weston Bourret had a great deal to do with that. Weston headed, from San Francisco, the Utah exploration activities.

Swent: But you did have some dealings with Charles Court, you said.

Wilson: I did very soon thereafter.

Western Australia Premier Charles Court

Swent: But the lease had already been obtained. Who introduced you to Mr. Court? Did somebody take you in by the hand, and--?

Wilson: No, as I recall, I introduced myself. I think our first meeting was in his office in Perth. I must have called and requested a meeting.

.

Swent: Do you recall that meeting at all?

Wilson: No, I don't.

Swent: Did you socialize at all with him, as well as having business?

Wilson: We did, later. Yes, later when my wife was traveling with me to Australia, we would see Charles Court. My mother used to kid Bev about talking to "dear Charles" on the telephone. Well, occasionally, it would seem like he would call when he came through San Francisco, and we'd go out and go in the city--take him to dinner. Nice fellow.

Swent: Was your mother living with you then?

Wilson: Yes, she was in and out. She would take care of the children here while Bev accompanied me on our trips overseas.

Swent: That was very helpful, I'm sure.

Wilson: She loved it, we loved it, the kids loved it.

Swent: And Beverly called him "Dear Charles," did she?

Wilson: That was a joke. [laughs]

Swent: Well, travelling back and forth, that was a very long trip. It's still a very long trip down there. Did you break it?

Wilson: No, I'd go straight through--.

Swent: You didn't have to change?

Wilson: We'd go from San Francisco to Honolulu to Nandi to Sydney. The Boeing 707 had taken over from the reciprocating engine airplanes by 1961, and that made that trip a heck of a lot easier. One could get to Sydney from San Francisco in seventeen hours as I recall, whereas it was a three-day venture in the old days with the reciprocating engines.

Swent: That might have been easier on your body, though.

##

Swent: Seventeen hours is a long flight.

Wilson: Yes, it's a long haul.

Swent: So, about Goldsworthy--. At that time you were still, of course, based here.

Wilson: I was at the office in San Francisco.

Swent: Did you spend a lot of time at Goldsworthy?

Wilson: No, not at Goldsworthy. I don't know what a lot of time is [laughs], but no--. I was in and out.

Swent: You must have been travelling back and forth a good deal. [pause] And you were still overseeing a lot of other things in other places.

Wilson: That's right. In retrospect, it was a busy time, but it was a lot of fun.

Swent: It's enormously complicated. Even just looking at it myself, it's hard to keep all these balls sorted out that you were juggling.

Wilson: It wasn't long thereafter that we began to get involved in Queensland.





Utah buys 60 percent of Lucky Mc Uranium Corporation for \$10 million and assumes responsibility for bringing the mine into production, 1958. Left to right, seated: Bob Moran, Lucky Mc attorney and part owner; Tony Mecia, Senior Vice President, Manager of Mining Division, Utah Construction Company; Harry Cranmer, Chairman, Lucky Mc; Neil McNiece, co-discoverer, Lucky Mc; Lowell Morfeld, co-discoverer, Lucky Mc. Standing: C.J. Murphy, part owner, Lucky Mc; Byron Mock, Part owner Lucky Mc; Al Quine, Manager, Lucky Mc after Utah's purchase; Bud Wilson.





September 1959, American Mining Congress, Salt Lake City, UT. Left to right: C.J. Murphy, Lucky Mc Uranium Corporation; unidentified; Allen Christensen, President, Utah Construction Company; Bud Wilson; Barney Greenlee, underground engineer.







Dedication of Blackwater Mine by Utah Chairman Marriner S. Eccles, on May 11, 1968. Seated behind him from left are: Rev. J. M. Wilson of Rockhampton; Sir Howard Beale, former Australian Ambassador to the U.S. (partially hidden); Mr. Jack C. A. Pizzey, premier of Queensland; Mr. I. Mizuno, managing director, Yawata Iron & Steel Co. Ltd., Tokyo; Mr. Alexander M. Wilson, Utah executive vice president; Mr. R. E. Camm, Queensland minister for mines; and Monsignor Dean Hazelwood of Rockhampton.





Signing the Goonyella coal contract, January 20, 1969. Seated, facing, left to right: Y. Hamanaka, Manager, Utah International's Tokyo office; Gill Selway, Chief Counsel, Utah International; Mr. Tanabe, Chairman, Mitsubishi Shoji; Mr. Imura, Chairman, Nippon Steel; Edmund W. Littlefield, Chairman, Utah International; Bud Wilson; Edward DeMoss, Senior Vice President, Utah International.







Alexander M. Wilson, member of the President's Commission on Energy, greeted by President Gerald Ford after a meeting of the Commission.







Goonyella Mine: Wilson and Goonyella Mine manager, 1975.



Escondida Mine: Bob Hickman, Escondida Mine manager, second on the left; facing, Paul Gondoneau, office manager, Santiago, Chile, 1975.





July 5, 1977. Bud Wilson; Ernest Kuh, Dean, College of Engineering; Donald McLaughlin, former Dean of the College of Engineering reviewing plans of the Engineering Center Campaign Steering Committee. Wilson was co-chairman of the successful campaign to raise \$5 million to construct the Engineering Center.



## VIII UTAH AND QUEENSLAND COAL, FROM 1965

The Bowen Basin Metallurgical Coalfield

Swent: That's where we should move on to now, I guess.

Wilson: Our exploration people had been successful in identifying a very large coalfield near the Bowen Basin, and that raised the question: what do you do with it? That was the beginning of a long period of engineering, negotiations, travel, on a lot of people's part.

Swent: Can you recall when you first heard about this?

Wilson: Yes. I was in Australia reasonably often, and Dick Ellett, who headed the Australian exploration activity, would keep me up to date. We corresponded and had conversations on the telephone, so I was generally aware of the progress of the exploration. When it finally became clear that there was a very large coalfield, most of which of metallurgical coal, we really became interested.

Swent: What is it?

Wilson: Metallurgical coal is coal is used in a coke oven to make coke that goes to the blast furnace to reduce iron ore to metallic iron.

Swent: Is that the same as coking coal?

Wilson: Yes, same thing.

Swent: As opposed to--?

Wilson: Steam coal.

Swent: Steam coal. Steam coal is what you had in Arizona.



Wilson: Yes, that's right. Steam coal is what you burn in a boiler to make steam. Initially, there were a lot of questions. There were seams of non-metallurgical coal, of non-coking quality, that had the geologists very concerned. There was a point when--. There was a geologist named Don King who was heading up the field activities for--.

Swent: He was an Australian, wasn't he?

Wilson: He was an Australian, yes. And Don King was one to whom credit has been given in Australia for the discovery of the coal field. He did the work on it, but coal had been discovered in Australia a long time before we got there.

The exploration people became very concerned about the lack of consistency in these coal seams. There was a time when they were almost ready to give up. Don King had proposed that we leave the Bowen Basin. (And that's a little bit of history that he has never confessed to, that the great write-ups that he has over there don't allude to.) So, Wallace--Keith Wallace--and I went over, had a meeting in a place called Rockhampton.

Swent: So it wasn't all crystal clear--.

#### Charles McArthur's Critical Role in Developing the Flow Sheet

Wilson: No, it sure wasn't. Let's see. Charlie McArthur was with us. Charlie was a metallurgist who joined Utah back in the fifties, shortly after we went into uranium. It was Charlie, really, who developed the flow sheets that later--the plant flow sheets that made it possible for us to clean up that coal and produce a high quality coking coal.

Swent: This means a way of separating the--.

Wilson: Yes, that's right. When we decided to go for a mine at Blackwater--. There's a long story behind that, but Charlie went out to Queensland and built and operated a pilot plant for three months down in a place called Gladstone, to develop the--. I would call it a plant flow sheet, but to develop the metallurgical systems that we used in a plant to transform that Blackwater coal from medium-to-low-quality metallurgical coal to a high-quality product. Much of the credit should go to Charlie for having developed, for having been wise enough to know that there was a way to treat that coal. The rest of us really didn't know much about that.

- Swent: Is this more than just a physical separation?
- Wilson: Yes, the it was heavy-media separation that was followed by flotation.
- Swent: Could you borrow things that had been done other places?
- Wilson: Yes, things had been done other places, particularly in the United States, but I think it was Charlie who put two or three of those methods together to make it work out in Queensland.

### The Vision of Allen Christensen

- Swent: So, the grand strategy--.
- Wilson: The grand strategy kind of developed as we were running. It is nice to look back on it, and say this is all the result of great planning, but--. I think Christensen probably set the target back in the early days of my tenure in the company by becoming convinced that the Japanese steel industry offered a significant market for steel-making raw materials. It was Christensen who developed Marcona; it was Christensen who set about looking for coal first in Alberta, Canada. It was Christensen who sent a man to Australia to see if there was coal there. That led to Dick Ellett's being sent out. So if there is a great vision behind it, it was Christensen's vision; the rest of us just followed up.
- Swent: I'd like to say that, you know, this is really the rationale, one of the reasons for doing oral histories at all, is that the record--things like the annual reports and the newspaper stories--only tell what actually happened.
- Wilson: Yes, they don't tell you the whole story.
- Swent: And this--the sense that it might have been done completely differently--you don't get except through this kind of recollection. That there was a point at which it didn't seem at all clear that it was going to be the marvelous thing it turned out to be. It might well have just been dropped at some point.
- Wilson: Of course, it wasn't clear for a long time that we could reach an agreement with the State of Queensland that would enable us to develop the major part of the Bowen Basin.



Developing the Blackwater Mine

Swent: So there was the technical side and also the political aspect?

Wilson: When we identified, or had identified, this large coal area, I met with the minister--the mines minister--seeking his approval to start the negotiations for a franchise agreement. A negotiation that would lead to an act of parliament that would enable us to open up a number of mines, build railroads, build a port, and export coal from Queensland.

Swent: This is the Queensland parliament.

Wilson: Yes. The mines minister was Ronald Camm. Camm advised--. That's not right. The first minister I met was Camm's predecessor, whose name I can't recollect. Shortly thereafter that gentleman passed away, and then Camm--. I guess the second meeting I had with them, it was Ron Camm who was heading up the exercise.

Camm told us that his government believed that we had to prove that we had the capability--the financial resources and capability--to mine coal in Queensland before parliament would consider such a broad agreement. As a result of that, we worked out, with his department and others, the Blackwater Mine. We took a lease under existing legislation, which enabled us, reasonably easily, to obtain a lease from the government.

Blackwater was located on an existing railroad. I think the significant negotiation we had at that point was just negotiating the rail freight rates. There was a coal port at Gladstone. It was at Gladstone through which the mine owned by Thiess-Peabody joint venture, the Mora Mine, was shipping coal. So that facilitated our business out there in two ways: we made a deal with the Queensland government in a very straightforward fashion.

Swent: Was the railroad owned by the government?

Wilson: Yes, it's a government railroad. The railroad was there and it made it, of course, unnecessary for us to put that capital into transportation.

Swent: I gather that one of the issues was whether the government would get its cut, its profit--. I mean, obviously the Queensland government wanted to gain something from this. They could gain--.

Wilson: That came later. That was not terribly, that was not a huge issue--.

Swent: --the issue of the freight rates versus--.

Wilson: --on the Blackwater lease. That was simply freight rates, and that was the government's take on that. By this time Australia had heard about the concern in the United States rising from surface mining. The other question that came up was, what is Utah going to do to reclaim the surface of this area that it's disturbing by its mining? Well, that's another discussion. The Queensland Government said, We'll just charge you twenty dollars a hectare (a hectare is 2.4 acres), and we'll forget about the reclamation. That got us acquainted with the Queensland government. That was a big help.

Swent: So you were relieved of any responsibility, then, for reclamation.

Wilson: So we negotiated the sale of coal in Japan. Keith Wallace and I, with the help of George Ishiyama in Tokyo, were successful in contracting for that coal. I've forgotten the terms of the sale, but the price was about that price that the Mora mine was receiving from the Japanese.

Swent: Were these prices delivered in Tokyo or at the port of exit?

Wilson: Yes, they were set down in Tokyo.

Swent: In Tokyo. The shipping was part of your negotiation--.

Wilson: No, the Blackwater price was delivered on board ship at Gladstone. The Japanese supplied their own vessel.

Swent: Because Utah was also getting pretty big in shipping at that point.

Wilson: Well, it was Marcona that--. By that time, it had two or three iron ore vessels.

Mr. Tomibichi of Mitsubishi

Swent: Where did you do your negotiating with the Japanese?

Wilson: In Tokyo.

Swent: When did you first go to Tokyo? Do you recall?

Wilson: I don't know. I'm recalling now the meeting that we had in the early (I think) sixties in San Francisco. A young man from

Mitsubishi came to the office. His name was Tomibichi. We called him Tommy, later. Tomibichi was a Mitsubishi Shoji trading company representative, who came to tell us that the Japanese steel mills needed coking coal very badly. We would be well served by having Mitsubishi represent us in Japan. That was the first contact with Mitsubishi.

Swent: They would be intermediaries--.

Wilson: Yes, that was before Blackwater. That was a long time before Blackwater. Later, as we grew on the Japanese market, Tomibichi was the Mitsubishi representative. Tomibichi, later, was sent to the United States as head of Mitsubishi's automobile manufacturing company--as their lead man in the U.S. Then he became president of Mitsubishi Automobile. Tommy was a good guy to work with.

Swent: He must have been very enterprising.

Wilson: Back to Queensland--.

Swent: It's sort of amusing to contemplate you, six-foot something, in Tokyo [laughing]--.

Wilson: Tommy was a little guy [laughs].

Swent: You must have been pretty conspicuous.

Wilson: I really enjoyed it after I got over my nervousness about being in Japan.

#### Negotiating the Franchise Agreement with the Queensland Government

Wilson: The pace now began to pick up--we had a deal with the Queensland government on Blackwater. Charlie McArthur was developing the plans for the mill--metallurgical treatment plant or coal treatment plant I guess you call it. We set about, then, to negotiate with the government this franchise agreement, this act of parliament, that would permit us to develop this very large coalfield.

The principal characters on the Queensland side were the premier, who later was Bjelke Peterson, but I've forgotten who--it later was Bjelke Peterson. I've forgotten who the first one was. And Gordon Chalk who was treasurer, deputy premier, and leader of the Liberal Party. Chalk had been the transport minister at the time we negotiated the lease for Blackwater. The railroads were

his responsibility. As it turned out, it was Gordon Chalk who was really calling the shots for the government in negotiating the deal.

On the Utah side, it was Keith Wallace and I. Ralph Long, later, as the Blackwater Mine commenced operation--.

Swent: He was also an engineer, wasn't he?

Wilson: Yes, Ralph, early on, managed Utah's coking coal--strip coal--mine in Arkansas.

Swent: Was that a similar kind of operation?

Wilson: That was a similar operation in that it was producing coking coal that Utah sold to Colorado Fuel and Iron Company.

We had an office. We rented one room in the offices of our attorneys in Brisbane. It was out of that room that we conducted our negotiations.

Swent: What sort of city is Brisbane, and what sort of building was it?

Wilson: It was called the Canegrowers' Building. As I recall, it was a three-story building, right across the street from what had been the U.S. Army headquarters in Brisbane during the war.

In those days, Brisbane was not much of a city. I think the Canegrowers' Building was probably one of the tallest buildings in town--three stories. Now, you wouldn't believe it. There's skyscrapers all over the place.

Swent: What was it built of?

Wilson: Well, it was kind of typical concrete, typical steel and stick construction.

Swent: Brisbane is quite tropical, isn't it?

Wilson: It is.

#### The Crucial Act of Parliament, 12 December 1968

Swent: Oh, we've got the contract on the wall. [Wilson takes it down from the wall.] Oh, wow. This is a telex?

Wilson: That's a telex that was sent by Gordon Chalk and Alan Sewell, who was Gordon's permanent undersecretary. So that dates it, doesn't it?

Swent: [reading aloud] "RCA global telegram...December 12th, 1968....Utah Company"--. What's this? You read it. You can translate it better than I can.

Wilson: Oh, that's the address.

Swent: It's from Queensland to--.

Wilson: To San Francisco.

Swent: To San Francisco. What does it say?

Wilson: What does the thing say? Oh, "Congratulations Utah bill approved Queensland Parliament last night Stop Hope you can now have Merry Christmas Gordon Chalk and Alan Sewell." Let's see, twelfth of December. That was '68--.

Swent: Someone has written congratulations--.

Wilson: Beg pardon?

Swent: Someone has hand-written congratulations on--.

Wilson: Oh, that's Ed Littlefield and Orville Dykstra who was the chief financial officer.

Swent: So we have "AMW, congratulations," and "I concur." That's Dykstra?

Wilson: Yes, and that's what made Utah.

Swent: That piece of paper there? That agreement.

Wilson: Well, that pact, and that led to all sorts of things.

Swent: It says it was passed last night--.

Wilson: That parliament--they went all night sometimes, yelling and screaming at each other. It was very--.

Swent: Was this a matter of great controversy for them?

Wilson: Yes, the Labour Party was opposed. Before we start this again--. Are we on the air again?

Swent: Yes, but this tape is just about run out. Why don't I just change tapes right now.

Wilson: Okay.

##

Swent: That must been a pretty exciting day when that telex arrived.

Wilson: Well, a lot of things preceded that. I think we started negotiating, working with the government to develop the agreement, probably in 1965.

Swent: And you said that the Labour Party was not helpful?

Wilson: The Labour Party opposed anything that the government wanted to do, just as goes on in our own congress.

Swent: The other party was called the Country Party?

Wilson: There were the Labour Party, the Liberal Party, and the Country Party on the federal level. Did they call it the Country Party in the state? I'm not sure. No, they didn't. I've forgotten what they called it. But when we started, the Liberal Party had lost its majority. And the Liberal Party and the Country Party formed the coalition government. That's the way that things looked at that point.

Swent: And were they more conservative, even though it was called "liberal" party?

Wilson: Well, the Liberal Party was the conservative party.

Swent: It's always a little confusing.

Wilson: The Country Party was the one made up of the agricultural people. And--. I'm hesitating. I can't remember what--.

Swent: So there were three parties involved, but two of them were in a coalition.

Wilson: That's correct. It was mainly Gordon Chalk and Ronald Camm with whom we dealt. Gordon Chalk's thrust was to enhance the revenue of the railroad. Camm's desire was to take the money from the coal mining in royalties. We would deal with the two separately and talk separate issues. It took the two of them a long time to get into agreement on what the state's objectives were.



The Crucial Agreement on Building the Railroad to the Mine

Wilson: You know, a long series of negotiations, stemming over three years, kind of led to my agreeing with Gordon Chalk one night, in my hotel room, that Utah would build the railroad, would supply the finance to the state to build the railroad, and Utah would pay freight rates on the railroad, which would contain an element of profit to the state. And that was a fairly good chunk of profit.

Some of my colleagues were furious at my having agreed to that, but I came to that point just out of a belief that Chalk wasn't going to vary from where he stood--that we were going to be hung up for a long time, that the economics of the enterprise would in no way be impaired by the deal that we'd made. So, anyway, he and I had a handshake after dinner in my hotel room about eleven o' clock at night. Keith Wallace was in the hotel, but I hadn't invited him because I didn't want Chalk to have his second in command (his name was Alan Sewell). I think Keith was pretty upset with me. Anyway, we did it.

Swent: Was there anything comparable in the States to this?

Wilson: No, nothing.

Swent: So, this was a new--.

Wilson: You see, this is an interesting concept in that Utah--. The company would supply all the finance necessary to build a railroad and, in essence, give it to the state. The state would own the railroad and could charge us what freight rates--. [pauses] I was about to say what freight rates it wished, but that wasn't right because we did a long-term deal on freight rates with them under this contract.

Swent: What might the alternative have been? Could you have built the railroad yourself--was that a possibility?

Wilson: That's what we wanted to do. We wanted to build a railroad.

Swent: You would have preferred that.

Wilson: Absolutely; we would have much preferred to be in control of our own surface transportation, but it simply wasn't going to happen. At least that was my conclusion after three years of talks.

Swent: Would Camm have allowed you to build the railroad?



Wilson: I think had not Chalk been in the picture, we would have done a deal with Camm by coming to an agreement on a royalty--on a so-much-per-ton of coal exported would go to the state. Camm thought that was a great idea because that would accrue to the benefit of the Mines Department. Chalk thought it was a lousy idea politically because it would forevermore be seen as a profit to the state, and could be used by others with some adverse political consequences. I'm not sure what, but, you know, it was a lousy political idea, and he wished to bury the profits in the railroad department--I mean in the railroads, so the transport department would have all the credit.

Anyway, after three years, I concluded that we weren't going to do what we wanted to do, but we did the deal and it proved to be a good one. The state stuck by its agreements. There was some renegotiation, as I recall, in the seventies, but we developed just one hell of an enterprise out there. The city of Brisbane, over the next ten years, was converted from a little cow-town with all its small buildings, and maybe this three story Canegrowers' Building, into a city of skyscrapers and modern buildings.

Swent: In large part because of this.

Wilson: In large part because of Utah's activities. There are others of course. Our geologists had identified the boundaries of this coal occurrence, except for one little corner that they left out of the agreement, and then BHP built a mine on that little corner.

Swent: Which mine was that?

Wilson: They call that the Riverside Mine. We developed, in short order, the Goonyella, Peak Downs, Saraji--just as quickly as we could.

Swent: Was there ever any problem working with Thiess? What were your relations with Thiess at this time?

Wilson: We didn't need Thiess. By this time, no way. We didn't need him at all.

Swent: Of course not. You didn't need them, but did you talk to them at all?

Wilson: Oh, sure. I traveled from Nandi to Brisbane along with one of the Thiess brothers in their airplane. Yes, we talked to each other. Yes, we're friendly. Peabody people had joint ventured with Thiess, but they were not in evidence out there. Thiess was running the show. I think they were chagrined to have let a foreign company come in and gobble up all the coal reserves.

Swent: Well, they must have been. I was thinking perhaps they had approached you about joining--.

Wilson: I don't know. I don't remember if they did or not. But just remember, we were the big dogs on the street at that point.

Swent: So, they might have wanted part of your action, is what I'm thinking.

Wilson: I do remember, I guess it was about 1970, perhaps in the early seventies--I was in Indonesia, and the then chairman of BHP came to visit me in the hotel room, Sir Ian McClellan. He suggested that there might be some reason for Utah and BHP to get together. Of course, they were the steel-making monopoly in Australia, having little or no position in the very low-cost strip metallurgical coal. As I recall, we had a drink and I laughed at him. I was feeling pretty cocky in those days. Interesting that later BHP bought the whole outfit. But that was fine.

We've painted that with a pretty broad brush. A lot of things happened as we were going along.

Swent: Let's fill in some of those.

Wilson: Well, what did happen? I don't know. Lots of trips out there. Keith Wallace was spending a great deal of time in Queensland. We'd go out together and he would stay and I'd come back to San Francisco and then go out again.

Swent: You flew to Sydney and then up to Brisbane?

Wilson: Yes, we'd go into Sydney, then up to Brisbane.

Swent: And still a ways from Brisbane out to your mines.

Wilson: We weren't going to the mines. We were going to Brisbane to talk to the government. That was the big deal. Early in this negotiation, we decided that Ralph was there, and carrying the ball ably for us. Somebody from San Francisco had to be on the heels of the government all the time to get this thing done. I had other things to do, so I'd be back and forth from San Francisco out there. Keith would stay there. He'd come back to San Francisco. We would go together to Tokyo to negotiate contracts. A lot of travel was involved.

Swent: Did you just keep badgering these people?

Wilson: We badgered them, absolutely.

Swent: Three years of badgering! [laughter]

Wilson: We even had Ed Littlefield come out to make some proposal for us to the prime minister, I mean, to the premier. I've forgotten what that was, but as I recall it didn't get very far.

Swent: How do you work with these people?

Wilson: Just keep the pressure on--just meeting after meeting.

Swent: In their offices?

Wilson: Not only did we meet with the minister, but there were meetings going on with the minister's permanent undersecretary and his staff, because they were really the guys who were calling the shots. As I recall, we were trying one angle after another--work at the top, work at the bottom, work sideways, get disgusted and demand a meeting with the premier to try to get some attention.

Swent: Were you taking them out to lunch, dinner, fishing? How did you do that?

Wilson: No, we weren't socializing at that point. I think both we and the government folks decided that it would be best not to appear too cozy to each other. They had to look over their shoulders at their opposition.

Swent: What relationship did you have with the Labour Party?

Wilson: At that point it was zero.

Swent: Zero? You weren't working--?

Wilson: They didn't like foreigners, they didn't wish to have anything to do with us, and we didn't have to negotiate with them. We didn't have to. I think we had a meeting or two with the opposition party, but it was a fiasco. Nothing occurred.

Swent: Another question I wanted to ask about was this issue of being foreigners. You were "Yanks". Was this a part of it all?

Wilson: Perhaps from the Labour Party's point of view, but that--. Foreign presence in Australia didn't become a serious issue until the Labour Party was elected to the federal government. Then, of course, the stuff hit the fan. That must have occurred--.

Swent: That was [Gough] Whitlam?

Wilson: Whitlam, yes, Whitlam. That was probably 1970, 1971.

Swent: That was a few years later. [Gough Whitlam was elected in 1972.]

Wilson: Yes. I don't think there was much antipathy towards the foreign company operating in Australia in those early days. [long pause]

You asked if we socialized with those folks--we did later. We became friends. Ron Camm, I visited him at his station up the coast of northern Queensland a couple of times. Gordon Chalk and I became very friendly. We helped his daughter out of a pickle here. She wound up in San Francisco with no money. It was a pretty good relationship that finally came out of this, but--.

Swent: Well, you certainly benefitted Queensland.

Wilson: Yes, well, Queensland benefitted us, too. I think as it turned out, the deal with the Queensland government worked out pretty darn well for both parties.

Swent: You mentioned that this thing finally came through in a hotel room between just the two of you, so the personal relationship might have had something to do with it.

Wilson: Well, I'm sure it did. You know, we had been arguing for three years. We got to know each other pretty well. [laughs]

Swent: You knew how much he would give.

Wilson: I think that meeting in the hotel room was preceded by a visit from Alan Sewell, who was the permanent undersecretary of the treasury, to San Francisco to meet with us--to give us what I think he kind of described as the government's final position. It was out of that Chalk and I reached some agreement.

Where does that leave us now?

#### The Central Queensland Coal Associates Act

Swent: Well, once you got this agreement, I was going to ask if you got any static from San Francisco on this. Well, of course, you were in San Francisco, but--. You mentioned that Keith [Wallace] was a little sad at not being in on it, but what about other people up here? Were they happy with it? How did Littlefield feel about it?

Wilson: Littlefield was delighted when he saw the numbers. I think Littlefield was delighted even before he saw the numbers. I think that I must have talked to Ed. I wouldn't have done this without

having his knowing that I was going to do something out here. We worked closely together. Before we reached that agreement, Keith and others had produced economic studies that indicated the price of coal in Japan and the cost of mining the coal, along with the depreciation of the facilities and the amortization of all the capitalized expenditures before we'd been in operation. It was a hell of a good deal. We had to agree on something. Then we put it all together, and through our lawyers in Brisbane, we drafted the proposed Central Queensland Coal Associates Act, which is the-- Well, that was debated in Parliament. I suppose there were some amendments made. While all this was going on, I think we horsed around for a month or so before the agreement was finally approved by the parliament.

Swent: Was Utah mentioned in this act by name?

Wilson: I suppose it was. Yes, it had to be. Sure, because there were conditions that had to be met by the company, in order to--.

Swent: And there were other coal associates?

Wilson: Central Queensland Coal Associates. By this time we had brought Mitsubishi into CQCA 15 percent. We did that in order to secure a significant presence in Japan. We had negotiated a deal with George Ishiyama to compensate him for his help and guidance-- essentially a commission on the coal shipped to Japan.

Swent: Did you negotiate the agreement with the Japanese? You personally?

Wilson: Keith Wallace was the principal. Keith and I worked together, but Keith was much better with the Japanese than was I. He palled with them, and he could slap them on the back in a way that I couldn't do.

Swent: I've never met him. Is he tall also?

Wilson: Yes, he's tall. A good guy. Keith was really the key figure in negotiating those coal sales. I'd come in to wave the flag and sign the agreement.

Swent: Were there controversies surrounding that? Things that might have gone differently?

Wilson: No.

Swent: Of course, they needed the coal.



Wilson: They needed the coal, and we got a good price for the coal. We got what we needed, which was a long-term agreement on which this significant capital investment we were contemplating could be based--could be financed. Everybody was happy about everything that transpired in those days.

Swent: That's good. And you had to start in, then, from zero. There wasn't anything there? No previous--. Well, there was some railroad.

Wilson: I'll have to show you a map of that area some day. The first mine that we developed was the Goonyella Mine, and that was--.

#### Developing the Goonyella Mine

Swent: And Blackwater.

Wilson: After Blackwater. The first mine under the CQCA agreement. Goonyella. And that must have been a hundred miles north of Blackwater. We took a different route on the construction of the railway.

Swent: Is that something you might have done differently? Could you have just built an extension from Blackwater to Goonyella?

Wilson: No, it was not the--. The port of Queensland was too small. It would have been too choked. We had to have a very large, modern shipping facility to utilize the economics of large bulk orders. So we had to have our own port.

#### Developing the Deepwater Port at Hay Point

Swent: Where did you put that?

Wilson: We put it at a place called Hay Point, which is near--well, not far from Rockhampton. Blackwater coal was shipped out of Gladstone. I think I said before that the Gladstone port was too small or too cramped to allow us to do what we wished to do. So we had to have a new port, and we located a logical place for the port, and the engineers worked out a railroad route.

Swent: That must have involved quite a bit of study to select that.

Wilson: It involved quite a bit of engineering, yes.

Swent: And study to just select it. Are politics involved? Did the State of Queensland care where you put your port?

Wilson: Well, I suppose they cared, but I don't think we had any problem with them once we selected--.

##

Swent: I was asking if this was a political issue, and you said you thought there wasn't any problem. I was wondering if you had been pressured to put your port one place rather than another.

Wilson: It may have been that some tried to put pressure on us, but we ignored it.

Swent: That's a significant decision.

Wilson: We knew that we'd be shipping twenty million tons a year or more. We had to have deep water, had to have modern coal-loading facilities.

Swent: Did Utah Construction do that?

Wilson: Yes. Yes they did. We may have employed some outside engineering firms to do some of the engineering work, but most of the work was conducted by the Utah Construction firm.

Swent: And the government built the railroad?

Wilson: Well, we supplied the money.

Swent: Did they then hire Utah to do it?

Wilson: No, they had a railroad construction crew of their own. I think we worked jointly with the state engineers on the route. We supplied the money, and our people kept very good track of what the state was doing.

Swent: Did they all use the same gauge?

Wilson: Yes.

Swent: Australia had a whole mixture--.

Wilson: They did, but by this time the State of Queensland was on a standard gauge. So that wasn't a problem.



Swent: And the kinds of equipment--port facilities and so on--could you just replicate what you had done at Port Hedland?

Wilson: No, this was an altogether different setup. Much higher-volume setup. The physical characteristics and port site were considerably different, so it was an entirely new way out.

Swent: Lots of decisions to make.

Wilson: One of the decisions was, how do you anchor the pilings to the bottom, because the bottom was coral and caliche, and was not very strong. It was not a typical--. Impact-driven piles were not practical here. We went to an outside engineering firm to get its recommendation.

Finally, the method, which really sounds crazy but worked--. The piers, the legs, of the truss that supported the conveyer belt and the roadway, were four-foot-diameter steel pipes. The steel pipes were driven a ways into the coral, then a hole was drilled into the coral and caliche about forty feet deep, and a steel pin was inserted. To insert this steel pin, a diver had to go down inside this four-foot-diameter pipe and guide the steel pin into the hole. Do you believe that?

The construction manager told me that one day. On his desk was an order for twelve dozen garden shears, and he couldn't understand what in the world these garden shears were for. The folks who ordered them were the divers--the contract divers that they had. The garden shears were to cut the sea snakes' heads off. Because the sea snakes were so thick down there that the divers were afraid to work.

Swent: So they attacked them with garden shears! [laughs] Sounds like pretty hazardous duty.

Wilson: Oh, that was tough. One diver lost his life in that job, unfortunately.

Swent: This is near the Barrier Reef, isn't it?

Wilson: Yes, it is. The Barrier Reef extends out, at this point, east of the coastline by forty or fifty miles, but it's the same environment. It's essentially a coral bottom.

Swent: But this pin system worked, did it?

Wilson: It did. We've had no trouble with that. I've forgotten--I think it was a British engineering firm, officed in Australia. I think

we had some controversy among ourselves about what method to use. Finally that was selected and it worked fine.

Swent: What were some of the other things that had to be decided?

Wilson: Oh, gee, I don't know. Those are the things that I was party to. I think mainly the port engineering--there were some alternatives that could have been undertaken, and somebody had to make a decision. The railroad was straightforward. It was not a problem. The mine planning and the surface facilities were all pretty straightforward.

### Building the Staff

Swent: You were building up a staff. How did you select the people that took this over?

Wilson: Well, I mentioned Keith Wallace had been one of the primary folks here--Keith Wallace and Charles McArthur.

Swent: What was his background? We may have mentioned this before, I'm not sure.

Wilson: Keith? Keith was a Stanford graduate, a mining engineer.

Swent: A mining engineer. And he'd been with the company for quite a while.

Wilson: Yes, he'd been with the company. He'd joined Utah shortly after I did. I joined in '54. Keith probably came in '56. Keith worked at the Bradley Stibnite mine, where all these folks came together. When Tony Mecia sent me to Grand Junction to work with the Atomic Energy Commission at their pilot plant to learn uranium metallurgy, Charlie McArthur was in charge of the pilot plant for the Atomic Energy Commission. When we needed another hand, we hired Charlie on.

So the mining executives we were commandeering for Australia were Wallace, McArthur--. Ralph Long was managing the Cedar City iron ore operation. He went to Australia in '65. He was a real kingpin out there. His position was manager of the Blackwater Mine, but he devoted most of his time to--or a lot of his time--to this CQCA negotiation.

Then out in the field we were blessed with a great construction crew. We took people out of the construction

business to work our mine's engineering operation. It really was a help. A great deal of help. We had these guys, the construction folks--their organization came out to build the facilities. That gave us exposure to them, to evaluate them, and we invariably selected the best guys they sent out to work for us. They were tough.

Swent: It might have caused a little resentment.

Wilson: Well, I suppose it did, but, on the other hand, the construction business is an up-and-down business, and these fellows were not necessarily employed twelve months a year. So from their standpoint, they were delighted to have full-time jobs. The construction organization had its up and downs. So I think it wasn't too unhappy to find its people being employed permanently down there.

Swent: I think that really is one reason why Utah wanted to get into mining, wasn't it? To even out its--?

Wilson: Well, that was the original thought. It gave the construction folks something to do between construction jobs. [laughs]

Swent: Then pretty soon the tail wagged the dog?

Wilson: And employ some of the construction equipment that wasn't being utilized. That didn't work out too well, but it was sure a good start.

Swent: Well, I think it's interesting, though, the way people--you know, these selections of staff and people. You select people that you're comfortable with, so you end up with a group of people that are somewhat similar. A lot of you came from Stibnite.

Wilson: Well, several of us did. Some fellows, like Ralph Long, who didn't, sure got tired of the stories about Stibnite. It was Tony Mecia, Keith Wallace, and I who were the Stibnite group. The rest of them weren't. John Anderson, who was manager of our Lucky Mc operation, also was at Stibnite.

The whole thing was a sort of a collegial atmosphere. It seemed like everybody liked everybody else. We all got along pretty darn well together. I don't recall any of the interpersonal problems that other companies might have had--strange, but that's the way it was. There was some rivalry between the mining and the construction business, but not much.

Swent: Can you attribute that to anyone or anything?

- Wilson: It's the quality of the people. It had to be the quality of the people from top to bottom, you know.
- Swent: When I talked to Jim Edgerley, he felt that he had a remarkable amount of, I guess you'd say autonomy, but that you were given a lot of responsibility to do things without somebody second guessing you all the time.
- Wilson: Well, that's where Littlefield and I worked together. Ed was business management and finance, and he took care of that part of the business, and he trusted me to come up with the proper engineering decisions. It was really a good working relationship, and I suppose that explains how or why the folks down below us got along so well--because there were no problems at the top. Once in a while we'd have an argument, but we kept that pretty quiet.
- Swent: How did you deal with subordinates? What's your sense of that?
- Wilson: Same way. Although I think I was a pretty hands-on sort of guy. I was not comfortable in delegating authority when I could not also delegate responsibility. If I had the responsibility, I wanted to keep the authority, but in those areas where I could delegate responsibility, that was fine. Throughout my career, I was a hands-on manager. I was not one to be comfortable in delegating sole authority. I don't know what others have felt about it, but that was fine.
- Swent: Jim felt that he had a remarkable amount of authority and responsibility, I think. He liked this.
- Wilson: Well, when we had a good man, if we had confidence in him, we let him go.
- Swent: This is what Jim said--that you selected your people very carefully.
- Wilson: That's right. As long as they did their work.
- Swent: Did you call people together periodically for meetings? How was the reporting organized on this?
- Wilson: Well, informally.
- Swent: From Australia to San Francisco, you know, that's not--.
- Wilson: Well, there were a lot of telephone calls. We didn't have a lot of meetings. We had no committees. We had--. A guy in Australia was doing his job--if he had a problem, he'd call, and we'd talk it out.

Swent: How did you know if he was doing his job?

Wilson: We'd get out and look.

Swent: Okay. You went down there pretty often.

Wilson: Very often, yes. Probably, well, in those days, at least every other month I was down there. And I had Keith Wallace, who was spending even more time there, and he was one in whom I had absolute, 100-percent confidence. If Keith said something was going all right, then I didn't have to worry about it. I was blessed to have Keith. Ed DeMoss was another who worked very closely with me.

Swent: Had you hired him?

Wilson: Yes, that's another guy from Stibnite. Ed was in charge of the Cedar City iron ore out of San Francisco, Navajo Coal. So he was working the States side, and Wallace and I were out in Australia and Japan. It was a good relationship.

Swent: Had you hired DeMoss?

Wilson: Well, I think Tony Mecia hired him, but we came--. Oh, he came to work for Utah before I did because Tony hired him to go up to the Argonaut Mine and work under Al Geiger, who was then manager of the Argonaut Mine. It was Ed who identified some of the problems up there that led to my going up and led to straightening out the metallurgy of that plant.

Swent: So he had more seniority than you did?

Wilson: Yes, he was with the company longer than I. [long pause] You know, all these fellows with whom I worked very closely are all friends today. I talked to Ed the day before yesterday on the telephone, had dinner with the Wallaces Friday night. We're going to go to the Big Game [annual Stanford-University of California football game] together. It's just a delight to me to have had the opportunity to work with folks like that.

Swent: And you've kept in very close touch with the Mecia family, too, I understand.

Wilson: With whom?

Swent: The Mecia family.



Wilson: Well, yes. We took Betty Mecia out to dinner Sunday night. We try to keep in touch with her. We're going to take her to the Big Game with us.

Swent: That's interesting because you sort of came in after DeMoss but then were in a position to hire him, years later.

Wilson: Well, that's the way it worked, you know. Ed went down there to work for Al Geiger. Then, when Ed was in charge at Navajo, he brought Al Geiger out to be manager at Navajo working for him, so--.

Swent: It's not always easy to sustain a relationship like that. It's a credit to everybody out there.

Wilson: No, it's difficult sometimes. I found it particularly difficult at times to try to relate on a social basis with people who were working for me. It made them uncomfortable. I know Ed was uncomfortable, and Keith. Keith and Ed felt more comfortable with each other than they did with me, but that's the name of the game.

Swent: Have you done more socializing since you retired?

Wilson: Oh, sure. All that's gone away now.

Swent: That makes a difference.

Wilson: The DeMosses and the Wallaces and Bev and I spent several days down on the ranch together this last month.

Swent: That's wonderful.

Wilson: Anyway, where does that bring us? I think we're rambling now.

Swent: No, no, I don't think so. I think we're filling in things that are very pertinent. Maybe not just in a chronological way, but in the whole picture they certainly are, because the kind of company that Utah became, depended on the people who worked there; and that doesn't always show in the annual report. In fact, it doesn't show at all.

Wilson: I learned things from a lot of people. Ed Littlefield, early in our association, made a remark to me that's stuck with me all the rest of my life: that--something to the effect that a good man never cuts corners. And, boy, that's sure right, you know.

Swent: Coming from a finance officer, that's interesting.



Wilson: You start cutting corners, the organization soon senses that, and they begin to cut corners. Pretty soon the whole damn thing falls apart. You can see the histories of some companies that have been largely successful but really got into a lot of trouble by some of their folks cutting corners. Archer-Daniel-Midland is one of the most recent ones. The organization is going to pattern itself after the heads of the organization.

Swent: Littlefield is not one to--. How should I put it? He didn't live at a conspicuously lavish level.

Wilson: No, and he still does not live on a lavish level. He has his own airplane and a pilot--.

Swent: He's a generous giver.

Wilson: Yes, to Stanford, not to Cal.

Swent: Well, to San Francisco, also. But he didn't cut corners in the business?

Wilson: No, sure didn't. What will we talk about now? It's 11:30.

Swent: Do you want to continue some more?

Wilson: We can continue for half an hour.

#### Other Responsibilities Including Shirley Basin, Wyoming

Swent: Well, we can continue Queensland. We can also mention some of the other things you were involved in at the same time. You said you were going down to Australia every other month but you were also juggling a lot of other things. You were in charge of--.

Wilson: Well, all those things were taking care of themselves, more or less. We had excellent, first-class guys: mine managers and department heads. It wasn't the kind of operation that needed me all the time. My principle role was communicating with Littlefield and the board. In those days, when we were borrowing a lot of money and spending a lot of money on new projects--plus we were working this coal development--about the same time we decided to open up a new uranium mine at Shirley Basin, just south of Casper, and to develop the Island Copper copper mine at the northern end of Vancouver Island. So a lot of things going.

Swent: Uranium was still a good thing in those days.

Wilson: Yes, [laughs] it was.

Swent: Booming. Shirley Basin was underground?

Wilson: Shirley Basin was open, but we started Shirley Basin underground. We sunk a shaft and developed some very high-grade uranium ore there. It didn't take me long to figure out that underground mining in that kind of a country was bad. The environment was kind of a loosely consolidated sandstone, and down two hundred or three hundred feet below the surface, the water pressure was enough to move that almost like mud. It was pretty difficult. Barney Greenlee was brought into the operation to supply the underground knowledge. Of course, now we're getting back to before 1960, because Barney was on that airplane. It was after 1960, then, that we moved from the underground operation to build a large mill and an open pit.

Swent: When did GE [General Electric Company] come into the picture?

Wilson: In 1976. It came into the picture earlier than that because Littlefield went on the General Electric company board--.

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Swent: You were saying that Ed Littlefield had gone on the GE board.

Wilson: Yes, some years before that.

Swent: Before. So there was an acquaintance between the two companies, anyway. Were you selling the uranium to GE?

Wilson: No, we weren't selling uranium to the General Electric Company. In those days, you sold the uranium to the Atomic Energy Commission.

Swent: It was all still sold to AEC. But there was a time when it could be sold?

Wilson: Yes. Later.

Swent: Later. All right. [long silence]

Wilson: So, now where are we? Chronologically we've regressed.

Swent: Well, yes, you have to pick up these strands because it's very complicated. It really is. So you were in charge of the uranium, also. Were you doing negotiating for that contract? For the Shirley Basin contract? Did you do that negotiation?

Wilson: Yes. I worked--.

Swent: So you did that also.

Wilson: And I think the same cast of characters were still in Grand Junction.

Swent: And that was similar to the Lucky Mc negotiation, I suppose.

Wilson: Yes. That's right. The price that the Atomic Energy Commission purchased the uranium for was based on cost, plus a reasonable profit--reasonable in their eyes.

That was all going on. We had, again, some good guys: Ed DeMoss, Ian Richie--he was by that time, I guess, he followed John Anderson as manager of the Lucky Mc and then was responsible for development out in Shirley Basin. We developed a little satellite mine called Green Mountain at the same time.

So by 1975 we had developed the Queensland coal operation--had four very large coal mines out there. We had Island Copper going--very successfully. We had the uranium operations. We had Navajo. We had the Trapper Mine in Colorado.

Swent: Was this a new mine that you developed?

Wilson: Yes, that was a new mine that we developed shortly after the Navajo Mine was started.

Swent: Was Ellett searching--.

Wilson: No. Ellett was not involved with that. The coal seams out there were, I think, identified in the late fifties. I think Keith was probably a principal in doing the coal sales agreement with Colorado Public Service. I was doing other things.

#### Selling the Construction Business to Fluor in 1969

Swent: You were doing a lot of things.

Wilson: But the point of what I was trying to say was that by this time we had sold the construction division.

Swent: That was sold to Fluor in--?

Wilson: Seventy-two, seventy-three?

Swent: It sold just about the same time that the company went on the stock exchange and all those other things happened, I think. It was sold in--[pause]--1969. Sixty-nine is when Fluor bought the construction business. So by then, Queensland was well settled.

Wilson: Yes. By then, I think, I was executive vice president of Utah.

Swent: So you took over the vision of Christensen?

Wilson: The what?

Swent: You took over Christensen's vision--.

Wilson: Oh, well, I don't know about that. I negotiated with Bob Fluor, the decision to sell the construction division. Littlefield had a number of telephone conversations, but I was the guy that went down to Los Angeles and did the deal for him.

Swent: How did that come about?

Wilson: Ed initiated it with Bob Fluor. It goes back to--. Now we're in Littlefield's vision. We've talked about Christensen's. Now Littlefield saw that--. In the late sixties, Utah was big in the mining business. Utah was going to the--had borrowed a significant amount of money. The construction people had just worked their way out of a very touchy contract with the New Zealand government, doing the underground powerhouses at Manipouri, where Utah lost some twenty million bucks. So Littlefield could see the company couldn't be in a business in which significant losses could turn up without notice. So--and that was the construction business. You could have a good year and a bum year. It had been that way all of its history. So Littlefield was determined to get out of the construction business. That was before we had to go into the public arena to finance our enterprises. He did that about the same time we decided to issue subordinated debentures to increase the capital of the company.

Swent: Was it traded over the counter at that time?

Wilson: Over the counter, yes. It was a good time in the construction division because it had all of the Queensland coal contracts. I mean the company at Island Copper. The construction backlog was larger than it had ever been.

Swent: What did they do about a twenty-million-dollar loss in New Zealand? How do you make that up?

Wilson: Well, that decreases your capital. [laughs] That's pretty clear. Anyway, the construction business was sold. Utah did a great job in financing all this stuff. Littlefield and Orville Dykstra were the two who did it. Then Littlefield could see that the value to Utah shareholders was coming significantly out of Australia. About that time, the Labour government came into power, and there was a wild-eyed minister threatening to nationalize Utah--and, boy, when you have your whole family's fortune invested in Utah, and you think, gee whiz, it might go down the drain--that concentrates your mind wonderfully. [laughs]

So after we got through with the Australian difficulty (let's put it that way), Utah, having come to the attention of Reg Jones (who was chairman of GE) through Littlefield--. Jones wanted to get the General Electric Company in some kind of new business. Ed wanted to get his company into somebody else's hands. So it worked fine.

Swent: Well, I think maybe this might be a time to stop. Next time I'd like to have talk more about this negotiation with Fluor, but I think that's a bigger topic than we can cover in a couple of minutes. And the Australian "difficulty," as you put it--I'm sure there are some good stories about that.

Wilson: Part of this Utah story--a great significant part of the Utah story is what happened politically in Australia, when the whole foreign investment in the mining business in Australia came under attack by the Liberal government.

Swent: I think maybe that's a good place to start next time.

Wilson: That really propelled Littlefield to wish to sell Utah. Okay, that's for next session.

## IX FAMILY AND HEALTH MATTERS

[Interview 5: November 22, 1996] ##

Swent: We're continuing the interview on November 22, 1996, and, you know, the time does have to bounce back and forth. Don't worry about that. We thought we'd talk a little about physical and health conditions which enter into the picture a lot. Apropos of hearing aids and knees and so on. So let's go back to hepatitis, which you have not mentioned.

Wilson: Well, before we talk about hepatitis, let's talk a little bit about the family.

Daughters Shelley, Christie, and Lexie

Swent: All right. You have a wonderful family.

Wilson: We have three daughters, who were going to school in the sixties. Shelley Blaine Wilson, my oldest daughter, attended UC Santa Barbara during the sixties. She was there when the campus rioted. She called us and held the telephone out the window. We could hear the helicopters beating back and forth, sirens. Christie was in USC. Then, of course, later in the sixties, Lexie, our youngest, went to Santa Barbara. Those were really tough times for them. While I was travelling and spending at least half my time overseas, Bev had to run the family, take care of the children, and do all the things that normally the two of us would have done together. She did a marvelous job.

Swent: Those were not easy times for parents.

Wilson: Kind of amusing things occurred--I think a lot of things, but one in particular. There was a group on the Stanford campus headed by someone who proclaimed himself to be a Maoist communist who



organized on that campus a protest against the Vietnam War. That protest spread to UC Santa Barbara. Lexie--.

Swent: Lexie? This is the youngest.

Wilson: Lexie. Lexie, our youngest, yes. She was taking a course in--.

Swent: Bruce Franklin.

Wilson: That's the guy--Bruce Franklin.

#### Wilson Appears On the Venceremos "Hit List"

Swent: And Venceremos, I think, was the group.

Wilson: Venceramos--that's the bunch. So here's this archaeology professor, or paleontology or something, down in Santa Barbara who was a member of the Venceremos, who one morning passed out a list of folks whom the Venceremos believed should be "done away with." And Lexie saw my name on the list, and, God, she was on the telephone immediately, and she came home that day. Well, that morning I was travelling to work, driving, and I got caught in a riot that blocked Page Mill Road, Palo Alto.

Swent: Do you happen to remember what time of year this was?

Wilson: No, I don't remember what time of year it was. And here all these kids were out waving, shouting, and yelling. So I rolled the window down and asked them what was up, and this young woman threw a handbill, a piece of paper, in the car and it was that list. The reason I was on the list was because, I guess, at that point I was president of Utah, and Utah was building the air force bases in Thailand. Utah joint-ventured with Brown and Root, and did all of the air force work in Thailand in support of the Vietnam war. So Lexie was upset. I thought it was absurd. The whole business was awful.

Swent: But those people were serious about it; it was a real danger. You became president in '71, so--.

Wilson: Well, I was vice president, then.

Swent: Okay.

Wilson: I had become acquainted with the FBI special agent in charge of the San Francisco office on kind of a social-business basis. He

called me that morning and came to see me to tell me that the bureau was not sure whether these people (I've forgotten how he put it now, but anyway) had evil intent in mind; but that if I was concerned, he would proceed to help, that the City of San Francisco would issue me a permit to carry a concealed weapon. I told him I'd let him know the next day. I thought about it and decided, no--I was more likely to get in trouble with a gun. All that stuff blew away, but it sure created a lot of fuss. It got Lexie all upset.

Swent: Of course, it was pretty hard on her. And Beverlee, I'm sure it worried her terribly.

Wilson: Well, I don't think it worried Bev. I just told Bev that it's a bunch of hot air, and not to worry about it, but we did beef up the security here in the house with burglar alarms. Somebody told the sheriff's department and they patrolled here.

Swent: When did you build this house?

Wilson: We built it in 1960, and moved in just before Christmas in '61. Or just after Christmas of '60. Well, anyway we moved in in '61.

Swent: Did you change your driving routes at all? Your driving patterns to go to work?

Wilson: I did that. That's what the FBI friend advised me--odd times and odd routes. But I didn't really take that very seriously. Now, what was the fellow's name?

Swent: Bruce Franklin.

Wilson: Bruce Franklin.

Swent: He was the one here at Stanford.

Wilson: Yes. When I retired from Utah, the first thing I wanted to do was buy a horse. So I finally located a horse that I thought would be satisfactory; and this horse was owned by a deputy sheriff of San Mateo county. We became friends and I bought several horses from him; later on he told me that his great thrill in life was during the riot: when he was called in to quell the riot, he grabbed Bruce Franklin by the neck and kneed him. [laughs] He was really proud of that.

Swent: Those were terrible times. It's sometimes hard now to remember how bad it was.

Wilson: Do you want me to talk about personal things?

Hepatitis at Forty

Swent: Yes, let's do.

Wilson: Well, one of my milestones was getting hepatitis in 1962. I got up out of bed that morning--my fortieth birthday--and I thought, my God, if this is being age forty, I don't want any part of it.

I was traveling constantly then. We were trying to put coal contracts together in Japan and trying to do the deals in Queensland and had other things going. I went to Tokyo, and we had a room. I think Keith Wallace was with me. We had a suite--one of these typical things when Ishiyama was spending a lot of time with us to tell us how to do business in Japan. We would party--we'd go out at night and go to bars and have some fun.

Swent: Was this with the Japanese? Or just on your own?

Wilson: I think the three of us. Yo Haminaka, who was an employee of Ishiyama, was with us. I became very ill. I just got so sick, I could hardly stand up. So we went to a doctor--Ishiyama's doctor, who was an American who had retired in Japan after the war. George took me down there, and the doctor checked me over, listened to my tale. Then he went out to George and said, "Either this fella's an alcoholic, or he has hepatitis." I guess he gave me a blood test. So then we decided that I had hepatitis. I don't know what he did. I don't think he did anything.

I went on to Australia, and, my God, that was hard to do. When I finally got home, I went to a doctor here, who gave me vitamin B1 shots, and some sort of an upper so I wouldn't get so depressed. I worked half a day. I'd go to the office in the morning and come home at noon. I just couldn't stand up. I'd get on the airplane to go overseas, and I'd--I'd just almost burst into tears thinking how bad I was going to feel on that goddamned airplane. But, we did it, and that was--. I finally got rid of that.

Swent: That's terrible.

Wilson: I got to Brisbane--. I guess it was almost a year that I could only function for about half a day. I'd get to Brisbane, I'd work until noon, try to get all the meetings in the morning. Or, if I had them in the afternoon, I'd stay in bed until meeting time.

There were two possible sources for that. One was I loved raw oysters. I ate raw oysters every place I went. I think it's most likely that. Also, Utah had a doctor we would go to to get

our shots. He was on Sutter Street in San Francisco. It looked like an abortion mill. It was just a really crummy place, and I wondered--. I thought it was possible that I could have gotten hepatitis there out of a dirty needle or something.

#### Improving Company Health Services

Wilson: So when I became of influence in the company, and I suppose that would be about the time I was executive vice president, I decided to clean up that doctor/employee relationship, and I did. Boy, I was sure happy to get that done. We hired Palo Alto Medical Clinic. It had an office in San Francisco, and we used them. We hired a woman doctor--Madeline Stein--and we finally used her in our foreign operations. We'd send her out to check out the local medical staff, and to check hospitals available, and to organize possible evacuation, and all that sort of stuff. So we had everybody, as well as we could, covered out in the wilderness. I'm pretty proud of that.

Swent: Yes, that's very interesting. I don't think anyone else has done that, have they?

Wilson: I don't know. She would go. If somebody got in trouble, she'd go. Bob Wheaton, who was head of our exploration activity, at the time--this is probably--no, it's in the eighties. We were just beginning to develop a gold mine in Mali, West Africa, and Bob Wheaton went down with malaria and was terribly ill. He'd been treated by an American doctor that the U.S. embassy had recommended.

Wilson: Keith Wallace--Keith sent her out, and she found a doctor who saved Bob's life. She found a black doctor who had specialized, in British universities, in tropical medicine. Anyway, we got rid of the--.

Swent: Was she actually on your staff? Or you used her as a consultant?

Wilson: She was a consultant. We paid her a fee to be available to us. We sent her to Chile when we were beginning to develop that operation down there to do the same thing for us--to set up our medical facilities. So it paid off, but it all came about because I thought maybe I had hepatitis from this guy.

Knee Surgery

Swent: What about knees? Let's just mention knees, too.

Wilson: Well, knees didn't become a problem until the eighties--I mean a real problem. I think I probably had my first knee operation about the time I went on the Utah board, which was what? Seventy-one?

Swent: Well, no, you were a director in '68.

Wilson: Well, then, '68 was the first surgery I had.

Swent: You might have been on a little before that.

Wilson: That came about because I had a piece of cartilage that would float around and get in the joint. Every time it did that, it sure got my attention. I'd let out a yell; it was happening--quite often just as I sat down. I got on an airplane in Honolulu to go home, and it hit me just as I was sitting down. I let out a yell or a groan or something, and the stewardess tried to eject me from the airplane as physically incapable of flying. I had a big argument with that woman. We were on PanAm. A big argument with her. I finally got the captain to come out of his little cubicle up front. I explained that it was just a very simple problem, and I wanted to get home to my own doctor to fix it for me. So he told the stewardess to go make some coffee, and I stayed on the plane and got home.

Swent: It was hard to sit down, though?

Wilson: Well, it would flop out, you know, and then pop in, and I could work my knee and it would pop out. Then I was all right.

Swent: How did this go over with the people you were working with? Was Littlefield concerned about your hepatitis, for instance?

Wilson: Well, I think he was. I suppose he was. He didn't protest at the idea of my working half a day. I don't remember how long that was. It was longer than a month, but less than six months, I suppose.



A Terrible Trip Home from Jakarta with Salmonella ##

Swent: When the chief executive becomes ill, it affects a lot of other things.

Wilson: I went to a meeting in Jakarta about 1980, I guess it was. No, it was before that, because I was not yet involved with the General Electric Company. But anyway, I went out with some friends who had worked with Utah, back in the days Utah was involved in Korea. I met these folks in Jakarta. They took me out to a Chinese restaurant. One of the delicacies we had was barbecued hummingbirds' tongues, [laughs] if you can imagine such a thing. It was a good evening, good food, and I got back to the hotel. The plane was due to leave at six; that meant I had to get up to go at four.

I got up at four o' clock, and, oh my God, I felt terrible. Jesus, I thought I was going to die. I fiddled around, finally got in a taxi, got to the airport. I couldn't wait to get on an airplane so I could sit down. In those days there was a lot of security around the Jakarta airport--guys with guns moving you here and there. We were just about to leave the little terminal to get on the plane, when all of the sudden a little tractor comes by pulling a trailer stacked high with cages of monkeys, and that doggoned thing had a wreck right in front of the airplane and they tipped over. Monkeys went all over the place. They were all over the airplane. [laughs] There were guys out with butterfly nets catching monkeys off the airplane.

We stood around there for an hour, I think, until they got all the monkeys off. I got on the plane. I was so sick I thought I would maybe get off in Singapore. Then I was scheduled for an overnight in Tokyo, a meeting the next morning, then on to San Francisco. So I toughed it out in Tokyo, stayed in bed in the hotel. They had to cancel the meeting.

I got on the plane, got back to San Francisco. Bev met me, and I said take me to the doctor quickly, I've got--. What did I think I had? [pauses] I was sure I had cholera, because cholera was rampant in Indonesia.

Oh, when I left Tokyo, I began to have diarrhea and nausea. I went into the head. I spent the whole trip from Tokyo to San Francisco in and out, mostly in that. Finally I got so sick that the stewardess would hold my head while I was throwing up in the john. Geez, it was terrible. I was convinced that I had something awful.



Bev took me to the doctor, and I said, geez, I've got cholera; and he laughed. He said, "If you had cholera, you'd be dead." He said, "You've got salmonella--you've got food poisoning." In the hospital I went, and they got me un-dehydrated. I came home and I was all right. That was a miserable trip. [laughs]

Swent: Oh, it's awful to have that on a plane. It's just terrible.

Wilson: I didn't even feel embarrassed with this girl holding my head up.

### Drinking in the International Business World

Swent: I was wondering what part drinking played in your meetings. Was this something that sort of went with a lot of your negotiations? Was it ever a problem?

Wilson: Well, it was never a problem. I think there was a good deal of socializing that went on--when you travel with yourself or with other men. The tired-er you got, the more you eat and the more you drink. In Japan, you have an opportunity to drink a hell of a lot. It was never a problem for me because I knew how much I could drink before I had a hangover the next day, and I would simply pace myself.

When I got hepatitis, one of the symptoms of hepatitis is like a gigantic, never-ending hangover. One little drink of alcohol and, man, down you go, flat on your back. So when I had hepatitis, I didn't drink at all. When finally the doctor said, "Well, your liver is functioning okay, and you no longer have hepatitis--." He said, "Now have a cocktail when you get home."

I said, "You've got to be kidding. I'm not going to drink."

He said, "Oh, yes, you can go ahead. You see, a man that works like you do, you need to relieve that stress when you get home."

I said, "Baloney."

He said, "No, not baloney. You've got to do it." So the first drink I had was a teaspoonful of Scotch that night. That didn't hurt me. The next night I had one Scotch and soda. That didn't hurt me. The next night I had a party. [laughter] But, boy, when you have hepatitis, you can't drink.

As far as generally, the people that I worked with--. Alcohol wasn't a problem with anybody. When you're working towards big money, I would assume, you have to keep yourself in control. We had maybe a couple of people in the company who had drinking problems, but you can't be a corporate executive with responsibility and have a drinking problem.

Swent: Not for long.

Wilson: No, sir. Not ever.

Swent: I was thinking of your dealings, not only within the company, but with the others, in these negotiations with Japanese or Australians.

Wilson: In Japan, to get through the negotiations, there would either be a party at some teahouse or a bar; there are plenty of opportunities to drink more than you should. It's up to the individual.

In Australia--.

Swent: They're prodigious drinkers.

Wilson: Well, I don't know.

Swent: Beer.

Wilson: I know they like to drink beer. We always had a group of us (Utah folks) who would have a drink before going to dinner. When they did that in my room, I made them wash out the glasses so that they wouldn't have that whiskey smell when we got back. Anyway, no, drinking wasn't a problem. You just couldn't drink and do what you had to do, which was serious activity.

Swent: Well, there were occasions that you read where the negotiations were finalized in a hotel room, and you just sort of wonder--.

Wilson: Oh, sure, you got a big deal put together, you go out to celebrate.

Swent: No, I was thinking during--there was an attempt to befuddle people. Not on your part, necessarily, but other people's parts, to befuddle you.

Wilson: I never had that experience. What the Japanese would do, rather than try to ply you with drink to get you befuddled, they would insist that you have a serious meeting the evening you get off the airplane.

Managing Jet Lag on Flights to Australia

Swent: Oh, well, that's befuddling enough, isn't it?

Wilson: Oh, man. You get over there all fighting a time change and sit down to try make a decision. I think we finally got wise to that and we scheduled no meetings for twenty-four hours after we got there. No serious meetings.

Swent: Very wise.

Wilson: But they like to do that.

Swent: Jet lag is an important thing.

Wilson: Well, it's a tough thing.

Swent: Yes, I mean, it's real. I'm always dubious about people who say, "Oh, I don't feel jet lag."

Wilson: You sure get confused. You really are confused when you're off by seven or eight hours.

Swent: It's a physical fact.

Wilson: I used to travel to Australia once a month, and I would leave San Francisco on Wednesday; that was Thursday in Australia. I would get to Melbourne on Thursday morning local time. That meant I left here on Wednesday. So, Thursday morning. The next morning I'd go to the board meeting, that would be on Friday. I'd leave Friday night and come back to San Francisco.

The only way I survived that exercise was to have dinner at home. The limo would pick me up at seven o'clock, seven p.m. The plane left at nine. Dinner at home. No food or no drink on the airplane except water. I'd have breakfast out of Sydney, had an hour layover in Sydney--.

Swent: Sydney?

Wilson: Sydney. Yes, I'd fly from San Francisco to Sydney. So, an hour layover there, or maybe it was two hours. I'd shower and shave, dress in my suit, and get to Melbourne and go to the office. It worked pretty well.

Swent: But no eating or drinking on the plane; that's the secret.

Wilson: Alcohol's terrible, and the food was just about as bad. That way I could sleep, or at least doze, all the way over. I travelled on Qantas in those days. I travelled Qantas so often that the cabin crew called me by my first name. They knew when Bud Wilson was going to show up.

[long pause] Well, we're rambling now.

Swent: No, we're not. This is all good stuff. This is what oral history is valuable for. It's these kinds of things.



## X RUNNING THE COMPANY

A Rapid Rise on the Corporate Ladder

Swent: I wanted to ask about your promotions. You were rising very rapidly on the ladder here. How do you get named executive vice president in 1968, for instance? Does Ed Littlefield call you in and ask you if you want to be executive vice president, or does he just tell you that you are, or how does that come about? You had been vice president; then you were senior vice president, and then executive.

Wilson: First of all, it was the board who does that sort of thing, but Littlefield--. I guess Ed called me one evening at home before a board meeting and told me that he was going to propose to the board that I be named vice president. That was when they organized what they called "mining division." Tony was dead and I was head of the mining division. Then I was notified that I had been named senior vice president by the board by telex when I was in Tokyo. A telex came to Tokyo.

Executive vice president--. Well, I suppose Littlefield told me what he was doing. I think that was about the time we were negotiating the sale of the construction division. Is that right? Let's see.

Swent: Oh, no, you became executive VP in '68, so--.

Wilson: Yes, we were negotiating, then we sold the construction division in '69. Yes.

Swent: I presume you had some sense that you were being singled out or groomed or prepared for--.

Wilson: Well, I suppose I did. I was very confident of the success that I'd had, that I'd been lucky enough to enjoy. I remember Utah had an executive committee which was the executive committee of the



board. They had all the powers of the board, except to change the by-laws of the company. Marriner Eccles was chairman of the executive committee. Early in my career at Utah, I began to appear at that executive committee meeting with--. Generally it reviewed the investment proposals, budgets, executive compensation, that sort of thing. I guess the first time I was at that meeting, Marriner Eccles looked at Ed Littlefield, and said, "with a good Scots name like Alexander Murray Wilson, this man is going to treat the company's money like he treats his own." I think Marriner had a lot to do with my early success in Utah.

Swent: You had good relations with him?

Wilson: Yes, I sure did. I admired that man. He was really something.

Swent: He was chairman of the board at the time that you became executive vice president.

Wilson: Yes. He had been chairman of the board all through my career.

Swent: Was there ever any time at which you thought about doing something else?

Wilson: Yes. That came later. [pauses] Let's back up, now. Let's get back. We haven't talked much about a very important aspect of Utah's Australian business that propelled Littlefield on the board into the General Electric Company, or the sale of Utah to G. E.

The Whitlam government was a Labour government, and it came into power in Australia in 1972. Gough Whitlam was leader of the Labour Party.

#### The Whitlam Government in Australia from 1972

Swent: Just prior to him had been John Gorton.

Wilson: Yes, Gorton was--.

Swent: Liberal?

Wilson: Yes, he was the Liberal Party.

Swent: Which is the conservative party in Australia, but it's capital L, Liberal Party. And Utah had just changed its name to Utah International at that point. I don't know if that's significant or not.

Wilson: Not.

Swent: No, okay.

Wilson: I always disliked that name because international is a long word, and too hard to put on a hotel registration form. [laughter]

Swent: So, Whitlam comes in in '72, same time as Nixon.

Wilson: He comes in on a platform in part opposing foreign investment in the mining business in Australia, particularly the coal. We had gone merrily on our way, thinking that if we did our own business, were successful in Australia, paid Australian taxes, and made no noise, that nobody would find us. Well, boy, that wasn't right. We were totally unperceptive of the Australian politics and its possible impact on our business.

Swent: This is national politics?

Wilson: Yes, and all this stuff just took us totally by surprise. It took me by surprise. There was a man in the party who became mines minister. His name was Rex Connor. Rex Connor had been a coal miners' union official in New South Wales. It was Rex Connor who was leading the fight against foreign investment in the mining business.

As Lexie graduated from Mills College, I took her on a trip with me. We were going to have a great fun trip out to Hong Kong, and we had an exploration crew at work in Sarawak.

We went to Malaysia and then out to Sarawak. We went up the Bintulu River--a full day by dugout canoe with outboard motor. We got to a Dayak long house. It was from this Dayak tribe that our geologists were hiring day laborers to cut the brush.

Here on the veranda, we were welcomed like we were royalty, and in the veranda of this thing there were huge baskets of skulls. They looked like human skulls, and, you know, the long house was perhaps three hundred feet long, a hundred yards long, and perhaps thirty feet wide. It had a veranda, and then rooms that might have been ten to twelve, or ten by eighteen, something like that.

Well, we were treated royally there, and I looked at these baskets of skulls. The head man told me that they were mainly orangutan skulls. It was the tradition in Dayak society that when a young male passed puberty and had his rites--I guess it was before he could marry--he had to bring in a human head. That was their tradition. This fellow assured me (because I could see some

human skulls all moldy and rotten in there), he assured me that the last human heads that they had in those baskets came from the Japanese during World War II.

So we had a great time there. We left there and went to Singapore. Two o'clock in the morning, the telephone rang, and Littlefield's on the phone saying, "Can you talk?"

Geez, I'd just gotten to sleep. I said, "Of course I can talk." I was really annoyed, but he told me about a speech that Rex Connor had made to the Australian parliament vilifying Utah, threatening to nationalize Utah. That was most alarming. So we had planned, I think, to come home from Singapore, but we changed our plans, went to Australia.

We spent two or three months in Australia following that, trying (or I did, and Lexie was with me) to get a handle on how serious the Labour government's threat to either nationalize Utah or penalize it in some way--how serious that was. And try to determine what could be done about it. I first went to the leader of the Country party, who was Doug Anthony, with whom I had previously had contact, had met both about business and socially. I spent quite a bit of time with Anthony. He spent his time explaining Australian politics, explaining the nature of the concern, and what he thought the opposition could do about it.

Lexie was with me. I suppose she waited. She was in the waiting room while I was talking to Doug, and we all got together and had tea. He asked if we wanted to go on the floor of parliament. The political leaders had some visitors' chairs on the floor. The visitors' area was up on the balcony, but they had some chairs on the floor. So Lexie was really interested to see what this parliamentary government was all about. I said, Sure. So he had his secretary escort us down to the floor. We walked in just as Rex Connor began to make a speech. Lexie was ahead of me, and she was seated. I walked into the row of chairs, began to sit down, and Connor pointed his finger at me and yelled, "There he is! There's the man who's turning Australia into a quarry. There's the man we should do away with."

I thought Lexie was going to faint. Her first exposure to the rhetoric that goes on in a parliamentary debate--she was really upset. They could get really personal in those floor debates. Anyway, we listened to what he had to say. More of vilifying Utah.

So then I talked to our legal counsel, to try to determine what the--. It turned out that there were no constitution provisions allowing government to nationalize foreign companies.

Swent: Marcona, though, happened to have--.

Wilson: No, I meant there in Australia.

Swent: No, I mean this is the kind of thing that was happening around the world.

Wilson: Well, hell, yes. I'm sure we were very sensitive of what had happened in Peru. So we tried to change our awareness of Australian politics. We did some things trying to gain better recognition in the country that backfired. Hired some Australians.

##

Swent: You were just saying that as a result of this attack by Whitlam, or by Connor, that you began doing some things, hired a movie actor to--. A PR outfit.

Wilson: Well, first we hired a public relations organization from Melbourne to try to help us confront these issues. On their recommendation, we did some things which later we were criticized for having done, but--.

Swent: On what basis?

Wilson: Australians don't need a reason to criticize you. They just criticize you because they can.

Well, we began. Our thrust was to try to get--.

Swent: At some point here, I'm going to read from an article I read from the Progressive magazine.

Wilson: Oh, that--. [laughter] Oh, yeah. But, do that--. Let me just carry on a little bit about this. It was darned serious for us because we had four large coal mines at work in Queensland. We had a fifth that we were seeking approval from the federal government to--. We were seeking an export license for coal from the mines.

Swent: Which mine was that?

Wilson: That was Norwich Park. We had by this time operations at Blackwater, Goonyella, Peak Downs, and Saraji.

Swent: Okay.

Wilson: We had to get this mine started, so, either during this period or later, I went to see Gough Whitlam. I had a meeting with him. I was ushered into his office, and here, sitting on his big chair behind this huge desk--this is the prime minister's office--is a young man. I walked up to him and said, "Who are you?"

He stuck his hand out and says, "I'm Whitlam." It was his young son who worked for one of the New York investment banking firms. He and I had a very cordial chat until his father came out. Then we had lunch together, the three of us. Whitlam attempted to play down this rhetoric that I'd been hearing from Rex Connor, that that really was not the policy of his government, but that it was a--the situation was of national concern, and the government had to seek ways of satisfying this national concern. Something on that order.

#### Meetings with Rex Connor

Wilson: So I came away from that meeting feeling, maybe a little encouraged, but not much. My next step was to meet with Rex Connor, this fellow who was beating us over the head, in an attempt to get his approval for us to go on with Norwich Park. Ralph Long was with me. Some written accounts had Parer with us, or maybe somebody else. I don't think Parer was with us if Ralph Long was there.

I remember vividly walking into Rex Connor's office. He was sitting there, a pretty big guy with a big belly, and he had red suspenders, coat off, shirt, no tie, red suspenders. He had his thumb in his suspenders, and he said, "Mr. Wilson, had my party had been in power when you first came to Australia, you wouldn't be in my office now; but you're here, so tell me what you want to tell me."

So I told him, and he said, "Aw. I'm not going to--you go talk to the permanent undersecretary of the mines department."

Gee, I never thought I would forget his name, but, anyway, we did. We had a meeting with him. It was a very bright, sunny day. He sat with his back to the window. The sun was streaming in, and, of course, we were trying to look at him through all this light. It was really fine. We got absolutely nowhere. Throughout--. It continued through the Whitlam administration. I would meet with Whitlam. Ralph Long or Keith Wallace would meet with Connor. We just got no place.



Swent: You had said previously that if you got state approval, that the federal approval was automatic.

Wilson: In order to ship the coal from the mine, one had to have federal government approval. One had to have that federal government export license. That's where they had us.

Swent: That was the trick. And they had been reducing the export tax.

Wilson: They had been, but all of a sudden they levied a special tax on Utah, and did as much as they could to make it uncomfortable for us.

Swent: So that's where they had you.

Wilson: Yes, those were three tough years, the Whitlam government. Finally, Rex Connor was involved--. Whitlam came to power in '72 and was out in '75. Probably in '74, but maybe early '75, Connor got in trouble with some scandal, something having to do with payments to his staff that were not warranted, or kickbacks, or something. By this time, this anti-foreign investment cry had lost its appeal to the public, or was losing its appeal. It was no longer a popular thing. So Connor's in trouble, and this newspaper column said Connor's going to be kicked out of government. Ralph Long got a telephone call from Connor's secretary saying that Connor wished to meet with us.

Swent: Is that the first time he had come to you?

Wilson: Yes, well, he didn't come to us. He said he wanted to meet with us in his offices in Canberra. I may have been in Australia, or Ralph may have called me here, and I went out to this meeting. By this time, it was clear that Connor was going out. Ralph and I walked into the meeting. Out of the blue, he said, "I wish you to request my approval of the Norwich Park Mine, which I will do so right now." This was an attempt on his part to get that he'd have something he could go to the cabinet with to maybe foreclose on their kicking him out. I said no to it. [laughter]

Swent: The ball's in your court now.

Wilson: Yes! I got up out of my chair, as did Ralph, and we started to the door. Connor jumped out of his chair and stood in front of the door with his arms spread, and he said, "I won't let you out of my office until you agree."

And I said, "Mr. Connor, you'd better sit down because you've got a long wait." After a while he gave up, and that day



he was cashiered from the government; he was sacked. I was never more happy in my life. [laughs] That was great.

Swent: You did get your Norwich Park Mine.

Wilson: It wasn't until the Whitlam government was thrown out by the--. We'll call it the representative of the queen there.

Swent: The governor general?

Wilson: The governor general, yes. The new government, then, was Malcolm Fraser, the prime minister, and Doug Anthony, my friend, was deputy prime minister.

All during this time we'd been using the same limousine service in Canberra to pick us up at the airplane, take us where we wanted to go and take us back, and we, for some reason or another, had the same driver, for three years. The Whitlam government is gone. The Fraser government comes in, and I go to see Fraser just shortly after they were seated. I had a meeting with Fraser and Anthony. I came out of the meeting, and the driver said, "Mr. Wilson, this is the first time in almost four years that I've seen you with a smile on your face." [laughter]

Well, you know that threat by the Labour government caused everyone involved with Utah to be terribly concerned with Utah's exposure in Australia, particularly Littlefield, who saw by this time, two-thirds of our earnings were coming from Australia, and that we were heavily lopsided in terms of earning sources. And that is what propelled Utah to begin a move towards General Electric Company. Of course, all this occurred in '72, '73. By 1976, the deal was done.

Swent: December '75, I think.

Wilson: Seventy-five, the deal was done.

Swent: There was a strike; that was later. May I just read to you some quotations from this? This is the Progressive magazine; are you familiar with it?

Wilson: [laughter] I remember.

Swent: I don't suppose you subscribed to it regularly?

Wilson: No, I subscribe to Rush Limbaugh's newsletter [laughs].

Swent: This is later. This is 1982, but the title of the article is, "The Plunder Under Down Under: Australia--a Continent for Sale."

Wilson: I remember that one.

Swent: And it says that since 1960, now this is 1982 he's writing, and he says twenty years ago, Gladstone was just a tiny town with a small fishing industry, and its population has quadrupled in these twenty years, but almost nothing has been done about municipal services: welfare and public transport nonexistent, schools, health services inadequate, high unemployment. Current export industry was begun by a united Utah International in the 1960's--.

Wilson: It was not.

Swent: And the government was eager to see that the resources are mined. Federal approval for investment proposals from foreign companies almost invariably forthcoming, restrictions on profits for foreign parent companies are minimal. Mining projects are supposed to be at least 50 percent Australian owned, but the requirement is sometimes waived.

Wilson: That was pure baloney, there was nothing--no such requirement.

Swent: There wasn't?

Wilson: No. That was part of the Connor threat, part of the Connor platform, but it was never--.

Swent: And your side of the story is not that the federal approval was invariably forthcoming. It wasn't quite that simple.

Wilson: Well, prior--. He's talking about prior to the Labour government, you see. And he's right, because Australia needed foreign investment.

Swent: Maybe I should just run through all this. This is just, you know--. I'm just picking out bits and pieces.

Wilson: Go ahead.

Swent: There were subsidies and very generous tax concessions introduced by the late conservative government, which took power in '75. Now, this is a later period, now, that we're talking about. The previous Labour government--Whitlam--had reduced subsidies to the mining industry and was moving to increase public ownership of Australia's mineral resources. Although mild by the standards of most other countries with important petroleum and mineral industries, the Labour policy was hysterically opposed by the mining and oil companies, which undoubtedly contributed generously to the conservative parties. There is no legal requirement in Australia for disclosure of campaign contributions. A climate of

opinion hostile to the government was created. Some circumstantial evidence points to the involvement of US intelligence agencies and companies in destabilizing the government during 1975.

I thought you might want to respond to that.

Wilson: I don't know how the companies or intelligence agencies destabilized the Whitlam government--it just self-destructed. The thing that brought the government down finally was the government's unable--. Unable to have passed a budget. They tried three times and the budget was blocked, and the governor general stepped in then and changed governments. I can't imagine how any outside agency could have influenced that. [long pause] That's a lot of baloney. That's a communist writing that. That's a communist news--.

Swent: Sure, it's standard socialist rhetoric. There was also an element in this--which I guess you hadn't mentioned--that there was a tension between the states' rights attitudes of the states. There was a states' rights element in this--federal versus the states. I suppose, similar to what we've had in this country.

Wilson: Yes, that states' rights cry was much, much stronger in Australia than it ever has been here in this country. You see, Australia is a commonwealth. It's a commonwealth of semi-independent states. The federal government has responsibility for foreign trade and defense.

Swent: But it isn't really a federation like the United States, is it?

Wilson: No, it's not. I think the United States would be a hell of a lot better off if we had more states' rights. [laughter] But I'll tell you--. I'll say it again that the Whitlam government self-destructed. As far as political campaign contributions are concerned, we made some contributions to some of the individuals who were running then, but never of really significant amounts. We, in Utah, just had a very serious and strong policy against influencing foreign politicians. Utah had been stung on that score in Mexico, long ago. They overtly backed the wrong governor, and got really badly burned in Mexico.

Swent: Oh, I didn't remember that they had even been in Mexico.

Wilson: Oh, yes, during the construction days. This was way before I joined the company. I'm really not aware of the details, except they had some dredging contracts or some port-development contracts some place along the Gulf, Gulf of California. They got in trouble by backing the then-governor of that state. I don't

know whether it was Sonora or Chihuahua, or where the heck it was. But anyway, it was out of that experience that people on the board, well, everybody involved who had learned of it were really concerned about going too far in attempting to influence--with money--politicians. So if we had done anything significant out there, I would have known about it, but we didn't.

Swent: His final peroration here, he says, the resource export exploitation is being financed by a cut in the standard of living of the people; and "meanwhile, engineers, geologists, and mining executives draw huge salaries while complaining that their companies will not really make much profit."

Wilson: [laughter] I've heard that before. So have you.

Swent: Yes, kind of standard rhetoric, but it does influence public opinion of those kinds of things.

Wilson: Sure does.

#### Applying Lessons Learned in Australia to the Escondida Mine, Chile

Swent: So you had a smile on your face when the new government came in?

Wilson: Yes, sure did. We learned a good lesson out of that Australia experience because when we started work in Chile, and when we knew that we had a very large copper ore body on our hands up there--. Of course, the Chilean government was being criticized by liberals in this country and elsewhere in the world because an authoritarian government had taken it and run the communist government out of the country. So we started just almost immediately working the politics, trying to understand what the politics were, what the likelihood of successful foreign investment in Chile was going to be under this new political system. And I think we did it right.

Swent: This would have been in the late seventies?

Wilson: Escondida?

Swent: Allende fell in '71 or '72, as I recall.

Wilson: Well, I think we were in there with our exploration program shortly after that. I'll back up a little bit. Escondida came on in the eighties. No, it was in the seventies because we had Escondida--. We knew what it was at the time that General

Electric Company--. We knew it was a discovery, but we were still drilling at the time of the GE acquisition. But we really worked hard to get a handle on the politics. That is, Wallace and Wilson. I don't think Littlefield was involved in Chile at all.

Swent: How did you happen to go into Chile?

Wilson: How did we happen to go into Chile? If you're looking for copper, you go where there's copper; and, boy, there's a lot of copper in Chile. Bob Wheaton was manager of the exploration at this time.

Swent: He had succeeded Bourret?

Wilson: Yes, Bourret is retired by this time, and I think Wes had died. I was president, I guess, or at least the chief executive officer, I think it was, by this time. Wheaton came to me, seeking approval to enter into an exploration project, based on an outside geologist's theory that along a major fault that runs roughly north and south through the Atacama desert, at intersections of minor faults, that there was likely to be copper ore bodies. His theory was that instead of working on the ground and trying to detect evidences of copper on the surface, that you confined your surface activity to identifying fault intersections, and go in and drill. With a lot of supporting evidence, and knowing how much copper is worth, I think this is going to be a twenty-million-dollar exercise. If we're successful, and if a mine is brought into production, this consulting geologist would be given five million dollars. That was the deal.

Swent: Do you care to name him?

Wilson: David Lowell.<sup>1</sup>

So Wheaton had his crew down there and started drilling. By golly, I think about the fourth intersection we drilled, bang, we made the discovery. Now that has turned into the largest copper producer in the world: the Escondida Mine. But we sure worked hard on the politics. So where does that leave us?

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<sup>1</sup>J. David Lowell, Using Applied Geology to Discover Large Copper and Gold Mines in Arizona, Chile, and Peru, Regional Oral History Office, The Bancroft Library, University of California, Berkeley, 1999.



## XI MERGER WITH GENERAL ELECTRIC, 1975

"The Troops Were Unsettled"

Swent: Well, we're up just about to GE. This is billed in all the newspapers and magazines as a huge surprise to everybody. Department of Justice people were supposedly miffed because they had no warning of this. Did you smell something in the air ahead of time?

Wilson: Well, I was a party to it. Well, I wasn't a party to it, but, yes, I knew what was going on. I knew that Littlefield believed that General Electric Company was the best possible company that might acquire Utah. Littlefield didn't call it acquired; he called it merged.

Swent: He was already on the GE board.

Wilson: He had been on the GE board for several years.

Swent: And he and Jones were old, old friends?

Wilson: No, they became friends on the board. I think perhaps they had known each other before, but I think really that association was formed on the board. At first Littlefield kept quiet about his conversations with Jones. Once the thing got hot, then Ed had to have back-up in Utah. Jim Curry, the CFO and I were involved in discussions with GE. I knew what Ed's objective was, and I believe he kept me apprised of his conversations with Jones. It didn't come as a surprise to me.

Swent: One of the magazines make it sound terribly dramatic. It was finalized in a secret meeting in a hotel room in Washington--.

Wilson: Well, I think that's more or less right. The deal was done between Littlefield and Jones. That got the GE folks all upset, many of them. I was trying to do my job and, boy, I tell you, I



wasn't happy at the prospect of going to work for General Electric Company. I figured my tenure would be very short.

Swent: Keith Wallace said "the troops were unsettled."

Wilson: Yes, Keith perceived that right. The day on which the board met--.

##

Wilson: Littlefield called me and said, "I want you to drive in to the office with me." So I drove up to his home and picked him up. I don't know whether I drove or whether he did. He was nervous about--. He wanted to get this deal done; he was nervous, terribly concerned about any opposition that might occur at the boardroom. He said something in words to the effect that if you oppose me, I'll see that you're fired.

I said, "Well, I think you can understand that I'm pretty nervous about this whole situation, but I'm not going to oppose you."

I was surprised at his attitude because I'd been working with him, you know. I don't know. He was so keen to see it happen that he didn't want any opposition; he certainly didn't want me to stand up and criticize the deal. I voted for it with the thinking that I'd probably be looking for other work in a year or two. Subsequently, I was--well, after the first two or three years of the GE acquisition of Utah, I was recruited by other companies to go to work for them. I turned them all down. I saw my job at that point--although I still thought the average tenure of the CEO of an acquired company, I figured, was about five years. I thought I'd stay as long as I could to try to get the Utah troops, as Keith called them, in as good a position as I could. I lasted longer than I thought I would.

Swent: You got a lot of credit for that.

Wilson: You think so?

Swent: I think so. Yes.

Wilson: Boy, I tell you, it was hard. Man, that was hard.

Swent: What was so hard about it?

Wilson: Well, [pauses] working--. You know bringing our company to the General Electric Company--a company with different objectives, different aspect, different ways of doing business.

Inundated with Human Resource People

Swent: How was this manifested?

Wilson: Well, the first crack out of the box, we were inundated with, what do you call them? Human resource people. God, we had human resource people all over us. Before that, we called them personnel managers, and we didn't have many of those guys. Then, the pain and effort that was taken to receive approval, obtain approval of an investment--I couldn't believe all the things they went through. At the merger--Utah's board was delegated by General Electric Company board decisions up to ten million dollars. Ten million dollars or more had to go to the GE organization. Reg Jones had layer after layer of committees and departments and people that reviewed these investments from every angle you could imagine: social, political, economic. It was different.

Swent: You weren't used to that?

Wilson: No, I was used to running my own show, by this time. [laughter] These human resource people were evaluating our people. It was a real--real mess, but it really worked pretty well. We had Reg Jones, who was on the Utah board, and Al Way, who was GE's chief finance officer was on the Utah board. Things worked pretty well until Reg Jones retired, and then [pause]--.

Swent: Welsh?

Wilson: Welsh, yes. Jack Welch took over, and then what good relationship we had with General Electric Company just went out the window. I think that ought to be another story.

Swent: Right. Had Jones been on the Utah board before this?

Wilson: No, not until the acquisition.

Swent: Littlefield had been on the GE board, but there had been no reciprocal--.

Wilson: That's right. I think that's right. I don't think Jones was on the Utah board until--.

Swent: Were there any GE people--?

Wilson: No.

Swent: So, the relationship was not a reciprocal one. And were there many Utah people lost after the merger?

Wilson: No, not until Welch took over.

Swent: But you just moved Utah intact in as a division of GE?

Wilson: Yes, that's right.

Swent: Didn't have to fit it into some other--?

Wilson: No, no. We took on, as the head of our legal department, a General Electric Company lawyer, and as the head of our finance--. No, not the head of finance. Curry continued to be the chief finance officer but there was a GE accountant, though, that came in under him.

Swent: But he was added? He didn't replace--?

Wilson: He was added, yes.

Swent: And you continued to keep your office here?

Wilson: I did. I'd go back to Fairfield once a month.

Swent: Fairfield, Connecticut? That's where--?

Wilson: Yes. GE had a--. I don't know what Jones called it, an executive council, or something like that, that met once a month. That's when each of the department heads got up and talked about their successes or lack thereof in the past month, and what their financial statements were going to look like.

Swent: And the uranium interests were one of the reasons why GE wanted, or might have wanted--this deal. But then--.

Wilson: When Littlefield and Jones reached an understanding about the acquisition they recognized that Utah's ownership of the uranium business could be a deterrent, as far as the Justice Department was concerned.

Swent: You were locked into some contracts that were--.

Wilson: We did, but what we did was to--. Ed DeMoss reported to me, and he was responsible for the uranium operations. To satisfy the Justice Department, we set up the uranium operations independent from Utah. Ed deMoss became the chief executive. We set up a board, independent of Utah. That board was headed by a gentleman from Los Angeles, who Ed had met when he was an ambassador, or

something or other. This was set up independent, even though Utah/General Electric Company still owned the uranium operations; it was managed independently of either Utah or General Electric Company. That satisfied the Justice Department. Subsequently, then, that was sold to the French atomic energy commercial firm, Cogema.

Swent: So that was to satisfy the antitrust question?

Wilson: Yes, that's right.

Swent: I looked back at the newspaper accounts at that time, and there was a lot of speculation that this merger would never go through, or that it would take years to get approval.

Wilson: It really didn't take too long. The uranium operations were the only problem, and once that was settled, then the Justice Department had nothing to object to.

Swent: As just kind of a typical report, a representative of Business Week said that--this is in September '76--that the stock market doubts that the merger will go through. Utah's stock dropped. Ivan Boesky thought it would go through. Now, we've since learned a little bit more about Ivan Boesky. At that time, he was quoted; he was optimistic that it would go through. He thought that GE wanted the coal more than the uranium, and he said that Utah was attractive.

So, anyway, Boesky has fallen into some disfavor since then. There was some thought, and I'm not sure if this is Boesky or in this article, anyway, that the Carter administration might use this as sort of a test case, that they wanted to bear down on large mergers, and that the Carter administration would frown on this as a policy matter.

Wilson: Jones had worked closely with the Carter administration. That surprised me because I thought the head of General Electric Company should not have been involved in the Carter administration. But he did, and perhaps he had this in mind, you know, that he wanted to have favorable treatment from the Justice Department, and wanted to be in a position to allay any fears that the Carter administration might have. So, he headed some Carter administration businessmen's group of advisors, or some such a thing.

Swent: Carter was elected later, though. The merger was announced December '75, and Carter wasn't elected until November of '76.

Wilson: The merger was announced, but it wasn't approved until after the Carter administration came into being. So it was the Carter Justice Department that reviewed it.

But now we're getting way out away; that is speculation on my part because I had nothing to do with that. All the contacts with the justice department were handled by the GE legal staff.

### Relations with Washington

Swent: Well, this is another topic, but, as president of Utah, had you been dealing on a federal level here? You've spoken about Australia; what were your dealings in this country with presidents and governments?

Wilson: By that time we had an office in Washington, D.C. We had two employees there, plus maybe a secretary or two. I had started trying to work with the United States Congress early on when the strip-mining bill was being considered because we were concerned that it might affect Navajo. So then the Mining Act was under review, and there were certain amendments to the Mining Act that were being considered. We had a lot of activity in Washington to try to influence that legislation as best we could. I was on the board of the American Mining Congress at the time. We used their offices.

Swent: But you also had your own?

Wilson: We also had our own. So, yes, I had quite a bit of exposure in Washington.

Swent: Of course, Marriner Eccles had been very much involved with the federal government.

Wilson: By this time, Marriner--. You know, most of his friends were out of government, either retired or--. His closest friend was U.S. Ambassador to Japan. What the hell was his name?

This is pretty late in Marriner's career. They all revered him as having been the first head of the Federal Reserve, as having authored the Banking Act, and perhaps that opened some doors to us, made it easier than otherwise might have been the case.

Swent: Had Littlefield continued this?



Wilson: No, Ed was never very up front on the political scene. He stayed behind. I think on one occasion I got him to show up in Brisbane to make a proposal to the premier. One other occasion I got him to--. I shouldn't say I got him, but he agreed to testify before one of the committees on something with the Mining Act, but he was not happy.

Swent: That was in Washington?

Wilson: In Washington. He was not happy to be up front. I didn't like it either, but--. [laughter]

Swent: No one likes it, I guess. Did you have people working in individual states, here?

Wilson: Yes. We would have somebody in each of the states in which we were working. Kind of designated as being our local political eyes, ears, and mouth. Actually, the man who headed the office in Washington, D.C., had done that for us in New Mexico.

In those days, one of my great friends in Washington was Alan Simpson. Alan Simpson was senator from Wyoming. We started working with Alan Simpson when we first became involved in Lucky Mc. Sometime later we were having dinner together (I think our wives were there), and he began to reminisce about his childhood. He was raised in Wyoming on a ranch near Jackson Hole. The first hay mower they owned, they bought from Utah, from one of the Utah ranches. [laughter]

#### Relations with Ottawa

Swent: Well, that's a long connection then. What about Canada?

Wilson: Charlie McArthur was the interface with the Canadian politicians, and that was mainly the provincial politicians in British Columbia. Charlie did all that. Bob Wheaton was working for Charlie at that time. Bob was his front runner with the state government.

Swent: Not much in Ottawa?

Wilson: Not much in Ottawa. That was principally--. I don't think I ever went to Ottawa. Charlie may have. Our principal problem there was with the environmental impact of the copper mine, and the disposal of tailings. It was Charlie and Bob Wheaton who carried



that banner for us. That was going on at the same time we were out doing the stuff in Australia.

Swent: And that was a technology issue as well as political, wasn't it?

Wilson: Yes, it was. The Island Copper mine was situated right on an inlet, and how you disposed of the tailings was an issue pretty early in the game. Charlie decided that the best disposal method was in the inlet itself. In that the inlet was quite deep, and that if we ran the tailings line out in sufficiently deep water, the tailings would not impact on the water level, and would have no impact on the fisheries, and so forth. Well, you can imagine how the environmentalists and life science folks would get into that business. Charlie carried that through successfully. That's the way we did the tailings disposal. He had agreed with the government and its environmental department that we would set up certain monitoring exercises, but we didn't have any problem with that.

#### African Ventures and Adventures

Swent: You mentioned Africa. When did that come in?

Wilson: Well, it first became--. We'd had exploration activities in Southern Africa for a long time, since the sixties. By the time that GE acquired us, we had a large coal field under lease, in, I guess it was Northern Transvaal, or maybe Natal. We were looking for coal, mainly, but we had explored for diamonds. Our exploration people had found a diamond pipe that they worked on for some time. It later proved to be uneconomic because, while it had gem quality diamonds, the larger stones, because of a rapid release of pressure when the pipe was forming, were shattered. So we had coal and diamonds. We were also working in the Zululand on an anthracite coal exploration project that looked like it could be a good one, but later GE turned it down. We will get into that when we talk about our GE days.

We had folks in Southern Rhodesia, before it became Zimbabwe. We had an alluvial diamond exploration project going on out there. I went out to see this thing, find out what was going on. We left what is now Harare. What was it before?

Swent: Salisbury?

Wilson: Salisbury. We had an office in Salisbury, and I went out there and visited with the government, then took a plane out to

Bulawayo. And here came one of the guys from our office with something all bundled up in blankets to load on the airplane. I said, "What the hell is that?" Shotguns. He had a dozen shotguns there. I said, "What the hell is going on?"

He said, "Well, the folks up on the project are getting a little nervous." We went up, we talked to them, we looked at the project, and they had had this--. Bulawayo was at the center of the black revolt against the whites, and there had been a white person killed nearby, and the people had their wives in there. They had this little house, and I think there were two or three wives living there. I went back to Johannesburg, and I told our exploration manager to get them the hell out of there. We didn't want our people having to arm themselves with shotguns to protect their wives. So I think they did pull out. But that was not a very good time, as the fighting was going on.

I think up until we got involved in exploring for gold in West Africa that we confined our activities to southern Africa, principally South Africa. It was kind of late in my tenure, just before I retired, that we had launched a gold exploration program in West Africa.

#### A Meeting with Prime Minister Pieter Willem Botha

Swent: You had talked about a meeting with Botha at the time that Carter was president.

Wilson: Yes. Did you record that?

Swent: No.

Wilson: You didn't?

Swent: No, no. We need to do that.

Wilson: Well, this occurred just right after the GE acquisition of Utah, I think it was. Jack Parker was the man, the GE vice chairman to whom I reported. Jack and I later became fast friends, and he and I go shooting together every year. Jack had an understanding of the mining business, and an affinity for our kind of business that was not shared by others at General Electric Company. So he was a good man.

Later on, Jack and I were in South Africa. I guess that Jack was just first looking at Utah's activities. We had a

meeting with Prime Minister Botha. The night before our meeting, Andrew Young, who was Carter's ambassador to the United Nations, had been in Zimbabwe criticizing at the top of his voice South Africa, whipping up anti-South African sentiments amongst the blacks.

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Swent: So, you walked into--?

Wilson: Yes. We walked into Botha's office--.

Swent: In Pretoria? In Johannesburg?

Wilson: I'm not sure. Pretoria is the seat of the government, but it seemed like we were--maybe the government also sat in-- what's the town in the south?

Swent: Capetown?

Wilson: Capetown. I don't know where we were. Victoria, probably.

Swent: You already had a meeting scheduled.

Wilson: Yes. Well, I walked into Botha's office and he took off after Carter, Andrew Young, and Americans in general. Boy, was he beside himself. He just launched into a monologue that was most distressing.

Swent: Blamed you for it all.

Wilson: Finally, I interrupted him and said, "Mr. Prime Minister, we're Americans, and we're just not in a position to criticize our own government when we're in a foreign country." Something like that. I think I said, "If we weren't, you know, I would agree with you, but we shouldn't be talking like this."

He got up and went out on the floor for something and came back, and I mentioned I was going hunting in Zambia, and, boy, that really turned him on. He talked about elephant hunting and all sorts of things. We got along well. [laughter] But he was sure mad.

Swent: Why were you going to see him in the first place?

Wilson: Courtesy; if you're considering making an investment in a foreign country, you'd better make yourself known to the top politicians and establish some sort of a rapport with them so you can get to

see them when you have to. That's what I was doing, just laying the groundwork for what might occur in the future.

Swent: Well, I was just thinking, you must have had some presence--considerable presence--in the country already, or you can't just call up and say you want to talk to the prime minister.

Wilson: I think we may have used the General Electric Company's presence in Australia to get that appointment; but, you know, the head of a foreign government will talk to the representatives of companies who have a prospect of investing in their country. It's not hard to get to see them.

Swent: They have an interest.

Wilson: They have an interest in foreign investment. They have an interest in sizing you up as well as you have in sizing them up, so--. I've not found it difficult, in those days, to meet with these fellows.

#### Dealing with Heads of State in Many Countries

Swent: Did you do the same thing in Rhodesia?

Wilson: Yes, and Indonesia. I think almost every place we've worked.

Swent: You've met with a lot of heads of state, then.

Wilson: We did, and it's pretty interesting to look, you know. I've met with a lot of politicians who were back-benchers at the time. Bev and I were remarking last night as we watched--no, night before last--as we watched the Prime Minister of Australia and the President of the United States before a press conference. Did you see that?

Swent: No, I didn't.

Wilson: The Prime Minister of Australia is John Howard. John Howard was a State of Victoria politician when we knew him. We used to see a lot of him. So I told Bev it was kind of interesting to see these fellows that are now big shots that you knew as little shots. Fun.

We had a coal deposit in Indonesia, but we had a dickens of a time getting approval of the Indonesian government. I think it took us something like seven years to work that deal because

everybody wanted a payoff, from the federal politicians to the locals; and we weren't going to pay off anybody. It took that long for us to convince these folks that an American company like ours wasn't going to pay off. I couldn't understand how Freeport, for instance, got their deal off the ground previously. Alcoa was in there, and I guess somehow or another they found a way to do it, but it took us a long time.

In the interim, I would go to Indonesia. Keith would get up there and he would talk, and I'd go and I'd talk. We had our own folks there, geologists, in an office in Jakarta. One of these meetings that I had arranged, or that was arranged for me, was to meet with Adam Malik. Adam Malik was the Vice President of Indonesia and head of the--I've forgotten what they call it--but anyway, head of the energy department. We met in his home. I was ushered into his living room. Just in front of us was a huge case, glass case, with a tiger mounted, in his living room. So when we got through talking business, I remarked on the tiger, and told him how interested I was in hunting and I'd just returned from a hunting trip to Africa. That I wished I'd had the opportunity to hunt in India before it was no longer possible to collect tigers. He said, "Oh, no problem. Let's go tiger hunting." He said, "You come with me."

I said, "Mr. Malik, how do you hunt the tigers?"

"Oh," he said, "It's really very simple." He said, "When we set the date, I will call the general who is in charge of Sumatra, and he will tell his troops to tell all the villagers to be on the lookout for tigers. They'll spot a tiger, they'll radio me, the army will surround it, and then you and I will fly to Sumatra, get on a helicopter, we'll set down, and shoot the tiger." [laughter] It didn't sound very sporting to me, so I never took him up on his invitation, but that's the way Mr. Malik shot his tigers.

Swent: So you didn't get a Sumatran tiger.

Wilson: No, I wouldn't have anyway. There's too few tigers left in the world to go out and shoot them. But I had a lot of fun, you know, at times, with these guys. Strange things happened.

#### Hunting and Fishing as Major Interests

Swent: We haven't talked about your hunting. When did you take that up?



Wilson: Well, my granddad bought me my first .22 when I was age twelve, and I guess that's what started it. I had an opportunity to do a good deal of hunting when we became involved in Wyoming back in the late fifties.

Swent: What were you hunting?

Wilson: Deer and elk. I shot a lot of them. I had a good time, but I've liked to hunt all my life. Either big game hunting or bird shooting. In fact, I took the first trip to Africa in 1981 with Jack Parker. Then, in '82, I went back to the same place with Bev. In '83, I went to Tanzania. I went back every year for eight years, I guess it was.

Swent: Where did you go with Parker?

Wilson: Zambia.

Swent: And then Tanzania?

Wilson: Yes, and then I found elephant hunting in Tanzania. I found that you could go out in an environment where I felt comfortable taking Bev.

Swent: Does she hunt too?

Wilson: No, Bev never shot, but she was out with me every step of the way. She didn't stay in camp until she became so allergic to tsetse fly bites that she could never go back to tsetse fly country.

We were on a camp at a river in the Selous Game Reserve, and Bev got edema. Her arms and feet and hands and ears and face swelled. She was in terrible shape, you know, sick. Fortunately, the professional hunter had prednisone. He gave her prednisone.

Swent: That's an elephant gun.

Wilson: When we came home, our doctor said it was damn lucky that he had prednisone, that he had the presence of mind to give it to her. Not only were her extremities swelling, but her brain was swelling. It's the brain swelling that kills people. So she can't go back to tsetse fly country.

So I started to hunt, and I'd take my kids with me. Well, Bev was with me when Christie and her husband, John, were with us. I guess Steve and Shelley made the first trip with us, then Christie and John. Then, Lexie made two trips, and Steve made another trip with me. But I had fun. I got in on the last of the elephant sport hunting in Africa.



Swent: You've got an elephant foot right here.

Wilson: Yes. I've got them all over.

Swent: Waste baskets.

Wilson: Yes, that was fun.

Swent: How did you get around?

Wilson: Beg pardon?

Swent: How was that arranged? Were you on reserves?

Wilson: Oh, the outfitter in Tanzania is a man named Gerard Pasannisi who was French, who had a very large hunting concession, again, on what was called the Selous Game Reserve. The Selous Game Reserve is a place in southern Tanzania on the Mozambique border that, under the German rule of what was then called Tanganyika, was set up devoted to wildlife. No native entry was allowed. The Emperor of Germany gave Empress whatever-her-name-was the Selous Game Reserve for her wedding present. It's a terrible tsetse fly country. The tsetse fly will kill a domestic animal within about four days, you know: horse, cow, dog, whatever it is. The local game has an immunity to the tsetse fly. So, it's only in tsetse fly areas in Africa where you find no people. That's where we hunted.

Swent: You got elephants and a cheetah--.

Wilson: No, that's a leopard. My hunting out there--I collected seven bull elephants, one-two-three-four-five leopards, and a whole bunch of other stuff. I loved to shoot cape buffalo, that was fun.

Swent: They're monstrous things, aren't they? And you fished as well?

Wilson: Yes, as often as I could.

Swent: Did you do this in connection with--.

Wilson: I did so much fishing, and everybody knew about it--. Somebody from the Utah board chuckled one day, and said Wilson will not take us any place where there's no fish. [laughter]

Swent: The fish come first, and then the minerals.

Wilson: Yes.

- Swent: I was wondering if you often found this as a nice ice breaker with the people in these countries?
- Wilson: You mean hunting?
- Swent: Yes, your hunting and fishing.
- Wilson: Oh, yes, it was, but not much hunting and fishing in Australia.
- Swent: No? Did you go kangaroo hunting?
- Wilson: I shot one kangaroo, and soon decided never to shoot another one.
- Swent: Why?
- Wilson: Well, they look so damned pitiful when they're on the ground.
- Swent: I wanted to talk about your hunting because that's been a major interest, I know.
- Wilson: It still is. I think if I can talk Bev into it, I'll go back to Africa. In '97; I'll be seventy-five then. I think I owe myself one more trip.
- Swent: One more? Oh, you'll always think you can do one more. Is there anything more that you would like to say about GE, then?
- Wilson: Yes, I think we have a whole session on General Electric Company because they're--.
- Swent: We need GE and, of course, BHP, and we haven't gotten into the environmental movement at all, which started in the seventies. That was going parallel, too.
- Wilson: We can talk about that. I think this GE/BHP involvement is going to take another session.

#### Very Little Difficulty with Environmentalists

- Swent: Yes, definitely. I think maybe we're about ready to wind up here. All right, and then we'll continue with GE/BHP, environmentalists--.
- Wilson: You know, I really don't have much to say about the environmentalists. We had difficulty when environmentalists first

raised the issue--. We had some difficulty out in the Navajo Mines. We worked out a--. Well, I guess we probably had to work it through the state environmental department, that we would level the spoil piles, and reseed them; and, you know, the problem went away. We raised better grass on the spoil piles than they had elsewhere on the Navajo reservation.

It never became an unmanageable problem for us. We had mine and waste rehabilitation to deal with, but it was technically feasible. It was simply an economic problem: if you couldn't afford to do it, you didn't do it. I mean, you didn't open the mine. Thank goodness we got out of the uranium business before we had the problem there.

Well, the company that bought our uranium business was Cogema. Cogema was a French commercial uranium firm. Ed DeMoss became president of Cogema. Ian Ritchie was the operating person. They're still--I believe they're still--putting topsoil on top of the uranium tailings ponds. So it is an expense to them.

Swent: It has to be taken into account.

Wilson: Yes, we recognized that as a potential problem when we sold the uranium business. We were very happy to get that out from under us. Elsewhere, we dealt with it. We had an environmental department, and a fellow from UC Berkeley with a Ph.D.--probably the most educated man in the whole company--who ran that department.

Swent: Do you remember his name?

Wilson: Leroy Balzer.

Swent: In Australia, they were more concerned about air pollution, I think, and that wasn't really a problem for you?

Wilson: In Australia, they were concerned about money. They didn't care much about--. Perhaps around the cities they did, but I think I told you that the Queensland government very rapidly settled on a hundred dollars an acre rather than having us do anything out there. I think later we had to do something, but--.

Swent: They seemed harder on the aluminum people in the press than on the coal operation.

Wilson: Yes, I think those aluminum people got in some trouble.

Swent: They had a harder time than you did, evidently.

Wilson: It was alumina. They had that plant at Gladstone with chemical effluent problems.

Swent: So that took the pressure off you, I guess.

Wilson: Well, I don't know. We were way back in the wilderness. There weren't many people there.

Swent: And you weren't putting much into the air.

Wilson: No.

Swent: Or the water, I guess.

Wilson: No water; we were just mucking up the surface of the earth, that's all.

Swent: And there wasn't anybody there to care about that.

Wilson: There were a few people. It was not an issue.

Samarco (Simitri and Marcona) in Brazil

Swent: No. We haven't mentioned Brazil at all. Did you have anything to do with the Brazilian operation?

Wilson: Well, the Brazilian operations were--. That was Marcona. And my involvement in Brazil, at least in the formative days of the activities there, was as a director of Marcona. Chuck Robinson was the guy who led that foray. Marcona made the deal with Simitri. Simitri was owned by a Luxembourg steel company called Arbed. It wasn't until Utah acquired Marcona that the Utah organization became involved.

Swent: It lost a lot of money, didn't it?

Wilson: In the early days. The Marcona organization was a kind of a peculiar one. It was headed by a guy who had an ego problem: Chuck Robinson. He had an ego a mile wide. I think we had a little discussion about how companies--how people--take on the attitudes of their superiors. There were plenty of that in the Marcona organization. They kind of took on the Chuck Robinson ego-driven attitude. That really spoiled the company; but I don't really want to get into that. I don't like to speak negatively about things.

Anyway, yes, so, Marcona was formed--the joint venture between Marcona and Simitri--so, therefore comes the name Samarco (Simitri and Marcona). Bechtel did the engineering, built the mine facilities. This was a hematite ore; ground the hematite, piped it down to the coast, some two hundred miles through what was then the longest slurry pipeline ever built, to a pelletizing plant on the coast. After, in later years, I think Samarco became a significant profit contributor to Utah, after we acquired it. Charlie McArthur headed up that activity for us.

Swent: Did you have dealings with the Brazilians?

Wilson: Yes. Sure did. Same sort of thing, you know, the provincial governors. Well, I didn't meet the President of Brazil. I don't think I did. I had a lot to do with the Treasurer of Brazil. Samarco employed a man who had been in politics. Had been in Brazilia, I guess, as a congressman from the state--.

Swent: Minas Gerais is the only state I know of.

Wilson: Minas Gerais, yes, Minas Gerais. And he was a Samarco employee for a long time, then went back in the government and was the treasurer, then headed the Brazil Central Bank for a while. Since Utah came in later, everything was formed. We didn't have an awful lot of dealings with the central government.

#### Marcona in New Zealand, Peru, and Shipping

Swent: And the New Zealand operation was also under Marcona?

Wilson: Yes, that was a Marcona operation. I don't remember much about that. It was not very significant.

Swent: And the shipping operations were Marcona?

Wilson: Yes, that was built on transporting iron ore from Peru. When Peru was nationalized, that was a problem.

After Marcona was nationalized--. Robinson left Marcona before nationalization took place. When he decided that there was no hope, he got out. He abandoned the sinking ship, [laughs] and went to work in Washington for Kissinger. He was Undersecretary of State for Economic Matters. That was it.

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Wilson: And Marcona was about--. After nationalization--Marcona had borrowed money to expand the plant, which was something that I found inexplicable when you're under threat of nationalization. Robinson contended that the only way to stave off nationalization was to keep spending money there, keep increasing one's investment. I didn't understand it, but being a junior on the board, I didn't have much influence on the decisions; well, sure enough, it came back to bite us because the mines were nationalized, and Marcona had debts to pay off, and no cash flow with which to pay off those debts. It fell to Cyprus and Utah, who were responsible for those debts.

Cyprus refused to pay its share, forcing, then, a buy-out by Utah of Cyprus interests in Marcona. Cyprus wanted out of Marcona, and that was the way they did it. Utah, with its need for capital to continue to expand its mining operations, couldn't, in any way, be subject to a default on a loan. That was our view of the thing. So reluctantly we bought Cyprus out. We tried to sell Marcona to Cyprus, but they wouldn't take it. By this time, there was nothing left of Marcona other than a kind of a squirrely operation down in the Bahamas producing aragonite, something out of New Zealand that was not effective.

Swent: Was this just a question of strength, whether Utah bought Cyprus or Cyprus bought out Utah?

Wilson: Sure. Cyprus concluded that Utah liked a loan default much less than Cyprus liked a loan default. So that's the game they played.

Swent: A simple question of who wins?

Wilson: Yes.

Swent: And Utah won? Or lost?

Wilson: No, we didn't win. We lost. We had to take over that, and by that time it was going nowhere. I was opposed to the deal. I tried to get Littlefield to find some other way out, and he said, "Well, you figure it out." We couldn't find another way out.

Swent: Did you do that negotiating?

Wilson: Yes, I've forgotten how we finally came to agreement on--.

Swent: Who were you dealing with?

Wilson: Henry Mudd, who was chairman of Cyprus, and I've forgotten the name of the lawyer. Paul Allen was involved in the discussions. That was just a kind of a minor sort of a thing. The only real



opportunity that I think that Marcona had was this interest in Samarco. When we acquired it, we put Charlie McArthur in charge of the Samarco operations, or in charge of our interests in Samarco. Charlie is a fantastic metallurgist, and he got the pellet plant running very well. That's when they started making money.

Swent: Did that recoup some of the Marcona losses, then?

Wilson: Yes, I think we finally, by the time I left, had broken even with Marcona, which meant that we had--oh, I don't know--I've forgotten what Marcona's debts were, maybe two hundred million at the time? So we're talking about serious money.

Swent: Was the shipping nationalized?

Wilson: Oh, no. That was not.

Swent: That was a separate company?

Wilson: We brought those ships in. We brought the vessel management into Utah.

Swent: So that also was folded into GE?

Wilson: Yes. It wasn't folded into GE Utah was kept as a separate entity, but when we were acquired by BHP, then, shipping activity went into the BHP. BHP was much larger in shipping than we were.

Swent: Had GE had shipping?

Wilson: No.

Swent: So this whole thing was new for GE?

Wilson: Yes.

Swent: Well, that's another topic, then. I think that maybe this is a good day's work, don't you?

Wilson: Boy, we sure rambled on and on around the clock.

Swent: No, these are informal conversations, and they do ramble, but, I think we've stuck pretty well to a timetable, and we're up now to where we can do GE, and then BHP, the strike, and Queensland.

Wilson: That came out of GE.

Swent: That was later, yes. Let's call it quits for now, don't you think?

Wilson: Okay. That's good.



## XII SALE OF THE CONSTRUCTION BUSINESS TO FLUOR, 1969

[Interview 6: July 30, 1997] ##

### A Very Successful Construction Division

Swent: We're continuing the interview with Bud Wilson in Los Altos Hills on July 30, 1997.

Wilson: You wanted to talk about the sale of the construction business to Fluor. That was in 1969.

Swent: That's when it was completed. It must have been in the works for a while before then.

Wilson: Yes. It had been talked about, I guess, almost for a year at the executive committee level. That was Littlefield, Eccles, myself, and Orville Dykstra, who was the chief finance officer at the time.

The construction division, at this point, was very successful--had been successful for two or three years--and was at its highest earnings and the highest backlog of contracts that were pending that it had ever had. The problem with the construction business is that you never know when you're going to have a big loss, and Utah had experienced an unexpected loss of what, to Utah, was almost gigantic proportions. I think it was a twenty-two million dollar loss on the Manipouri job in New Zealand. Manipouri was an underground powerplant. So when the mining enterprises began to mature--.

### An Unexpected Loss at Manipouri, New Zealand

Swent: Why was this big loss?

Wilson: Why? Oh, they had misinterpreted--or interpreted incorrectly--the geology. The company attempted to increase the price of the contract because of changed conditions and were unable to successfully negotiate with the New Zealand government. So they just took them. This was a huge underground job. They were dealing with water pressures at the face, where they were drilling where men were standing on machines and drilling blast holes, and the water pressure was 500 psi in these blast holes. It was just a heck of a job. They had to drill and inject concrete ahead of the blast. It was tough. So, anyway, they lost twenty-two million on that job.

We had three--I guess we were looking at three new mines then: the Blackwater mine, the Island Copper mine, and the Shirley Basin mine--an aggregate investment of, I don't know, two or three hundred million that had to be financed. Banks and financial institutions don't like to finance a company that has a potential disaster just lurking around the corner. So the idea that the construction business should be sold and the company move into the mining business was very interesting at that point and deemed to be necessary.

So when we got our--I was going to say our ducks in a row--I mean that when we had our planning done for the new mines, we approached Fluor; Fluor was interested.

#### A Good Deal Buttoned Up in Three Meetings

Swent: Had you had friends in Fluor?

Wilson: Well, we had contacts, yes. We had--. Littlefield, I suppose, knew Bob Fluor better than I, but we had had contacts with him over the years. So the executive committee designated me as the one to go down to Los Angeles and do the deal.

Swent: Were they similar companies?

Wilson: Fluor was similar in the respect that it was a construction company--had a construction company--but it specialized in utility plants and did not have the heavy construction: dams and tunnels, earthworks. That was what Utah was very adept in, so it fit Fluor.

Also, we were able to package, along with the business, anticipated construction for the company and its new mines. We not only sold the construction business, but we sold--gave--Fluor

the right to do the construction for Utah for x number of years, and that, as a matter of fact, turned out very well because we used the same people that we had been accustomed to. One might have thought that obligating ourselves to go with one construction company could cost us more, but I don't think it did. I think we had good work performed by people who had formerly worked for Utah, particularly in Australia, where Fluor did, I guess, five very large coal mines for us.

Swent: So you were delegated to go to L.A. to--?

Wilson: Well, yes. I went to Los Angeles, and it didn't take very long. We buttoned it up, I think, in three meetings.

Swent: Oh, my.

Wilson: But at this moment, I can't for the life of me remember how much they paid for it.

Swent: A pretty penny.

Wilson: Twelve--I don't know--twelve million, or something like that. We'll have to look that up.

Swent: Were there other companies that you considered selling to or approaching?

Wilson: No. We just did the deal with Fluor. We decided that Fluor had the match, and Fluor had the interest, and Fluor was the one we should--. I think Morrison Knudsen expressed some interest, but we didn't spend any time with them.

Swent: You sounded a little bit defensive. Were you criticized for selling these--or locking in, whatever the term is--these construction contracts ahead?

Wilson: By some, yes, but that was not important.

Swent: Well, I was wondering where that criticism came from.

Wilson: Oh, security analysts--people who really didn't understand what was going on--and some of the shareholders. The board was shocked at the idea of selling the construction business, but supported it once they thought through the ramifications. The people who worked in the construction division were the ones who were impacted, and that was pretty tough on them.



Change of Control Makes One Perspire Pretty Heavily

Swent: Why was that?

Wilson: Well, to go with a new owner, different management philosophies. The head of the construction division, Charles McGraw, went with Fluor for about three months, and he called me one day, and he said, "I've taken all this 'blank' that I can." So he retired, and his successor was Boyd Paulson, and Boyd wished--. Let's back up a little bit. We made a deal with Boyd. He didn't want to go with Fluor; he wanted to stay with Utah. He refused to go with Fluor at one time, but we told him that if he found the going too rough that we would bring him back to Utah. He was very nervous for a while, but he stayed until he--. I think he took retirement at age sixty-five. He stayed with Fluor.

Swent: What was so different? Why did they want to change?

Wilson: Fluor was, I think, more flamboyant. Our fellows thought they were better salesmen than they were engineers.

Swent: That is that Fluor were better--?

Wilson: Fluor were better salesmen than engineers, and that they concentrated on sales to the detriment of the engineering side of the business. I don't know whether that was right or wrong, but that was the conclusion that our fellows came to.

It was just the top guys who were so distressed. At the project manager level, they got along fine. But any change of control makes one perspire pretty heavily. [laughter] God knows I went through that many times.

Swent: Well, I suppose they had to move, too. They were residing up here, and they had to move to L.A.?

Wilson: No. Their offices were in San Mateo. Fluor had had an office in San Mateo. They expanded that and then just moved the whole outfit down there. So it wasn't--.

Swent: That was a help.

Wilson: It all kind of worked out fine. It worked out fine for Fluor, and worked out fine for Utah--not so fine for the top management who went with them. The other folks seemed to do fine, to do well.

Fluor did a lot of construction work for us, and they did a first-class job.

Swent: Was Fluor on the New York Stock Exchange [NYSE] at that time?

Wilson: I don't think they were.

Swent: Utah was.

Wilson: Utah was.

Swent: Or it went on at about the same time.

Wilson: At about the same time, yes. I think Fluor went on some time later.

Swent: Utah had been on over the counter?

Wilson: Yes.

Swent: And then went on the NYSE about that time?

Wilson: Some time in 1969.

Swent: Was there an exchange of stock between the two companies?

Wilson: No. It was an exchange of cash. Utah did not get Fluor stock.



## XIII UTAH INTERNATIONAL

Shifting Into Being a Mining Company

Swent: So that was a big shift for the company. It was begun in construction a long time before.

Wilson: Oh, it sure was. You bet.

Swent: You changed the name of the company at the time?

Wilson: The name of the company evolved from Utah Construction. Originally, it was The Utah Construction Company; then it became Utah Construction and Mining Company; then, when we sold the construction business, we changed the name to Utah International. At the time, I felt the word International was silly and superfluous, but it seemed to excite the security analysts.  
[laughter]

Utah's Land Development Activities

Swent: What about the land development?

Wilson: I was responsible for the land development when I became executive vice president, but I have to say I didn't take much part in its activities. Land development had been run by a gentleman named Frank Keller. Frank Keller, in the old days, had reported directly to Alan Christensen, the fellow who managed the whole shop. When I came aboard, of course, here, Keller was almost ready to retire, and I was a young squirt who was deemed to know nothing about the real estate business--but I did know enough about it to read a balance sheet and see that we were losing our rear ends in the business and wanted to get out of it as quickly as we could.

There was a strange relationship between Keller and the board and Littlefield, which made Littlefield very cautious about seeking Keller's early retirement. It wasn't until Frank retired at age--I don't know what it was--seventy, or something, that we finally put ourselves in position to start untangling a number of real estate investments that were either sour or were certainly not producing the kind of return that we expected and the kind of return that we would get elsewhere in the company.

Swent: In the late sixties, I think, was when you began getting so much flack for some of these developments around the San Francisco Bay.

Wilson: Oh, that's where it began, yes. Up until that time, it had been deemed in the county's interest to develop new land and have an increased base for taxation, but then the environmentalists climbed aboard. They were all over us for that Bay Farm Island dredging.

When Keller retired, Ed Littlefield brought Alf Brandin in. Alf had been business manager for Stanford University. Alf had done all of the Stanford Industrial Park and the Stanford Business Center and all that stuff--a first class guy. Alf began to untangle some of the things and make sense out of them and did a bang-up job. He was so good at it, he knew so much more about it than I did that I didn't have to spend any time worrying about it. I really can't--.

Swent: Was Keller one of the original Utah families?

Wilson: No, Keller came on board after World War II. Keller had no family connection, but had done some great work back in the early days and was respected and admired by many on the board. Frank was a nice guy, but he sure made it clear that he didn't want me messing around with his business.

Swent: So you didn't.

Wilson: I think at one point my charge from Ed Littlefield was, "Get us out of this business." But, boy, that took a long time to do.

Swent: Well, you had huge investments for a while.

Wilson: Oh, yes. We did. I guess we had--. We'd have to look back at the balance sheets, but I suppose we had a couple hundred million involved in Bay Farm Island. No, that's too much--maybe a hundred and twenty million.

Retirement Homes: Forecasting Death a Lousy Business

Swent: Not only money, but just from looking at the annual reports through those years, the things that they were featuring were these lovely photogenic land developments, retirement homes, and so on.

Wilson: The retirement homes were something else that were really bad.

Swent: That was under Keller also?

Wilson: Yes. It was a lousy business. Any business that depends upon the rate of death of your occupants--[laughter] it's just terrible. You only make money in a life care establishment when somebody dies; and until they die, it's all expense. So you try to forecast your earnings. You have to forecast the death rate of the people that occupy the premises. I just couldn't see that kind of business. It took us a long time to extricate ourselves from it. We sold one in Oakland rather easily. Then we had one in Portland, Oregon, that was a mess. I think we finally almost gave that one away.

Swent: They were all over the West Coast, weren't they?

Wilson: Yes.

Swent: In southern California and the central state.

Wilson: Yes. We had some in southern California.

Swent: Quite a few of them.

Wilson: Brandin got rid of those pretty quickly. We had one over in Marin County.

Swent: Yes. Bay Farm, I guess, was the biggest of the developments.

Wilson: It was the largest development, yes.

Back in the early days, Keller had done a good deal of business for Utah on Guam through his military connections. I think that's where he made his reputation--post-World War II redevelopment of Guam harbor, those sorts of things--but that was before my time.



Military Construction

Swent: Which reminds me--what about Vietnam? Did Utah get into much construction there?

Wilson: Utah had a good deal of military construction work going on. Utah built the Minute Men bases--underground rocket intercontinental ballistic missile rockets--in South Dakota.

Swent: That's the silos--not the rockets, but the silos.

Wilson: The silos, yes. So when the Vietnam War came along, Utah was asked to participate. It didn't really want to, but, as I understand it, the government made it clear that if we didn't participate, we would no longer participate in other military contracts. So it finally turned out that we joint-ventured with Brown & Root, and built three or four air force bases in Thailand. Morrison Knudsen and Guy F. Atkinson, I think it was, took the contracts for the air force bases in Vietnam.

Swent: Brown & Root is a Texas firm, isn't it?

Wilson: Yes.

Swent: Under LBJ's [President Lyndon B. Johnson] sponsorship, right?

Wilson: Yes, that's right. So, it was for that reason--I think we have said earlier in this, that the Venceremos had me on a hit list. It was because of my involvement with a company that was doing business in support of the Vietnam War.

Swent: Is that why?

Wilson: Yes. Of course, as it turned out, a lot of that work was done after we sold the business to Fluor.

Swent: And that was another headache to get rid of.

Wilson: Interesting, and, yes, a headache--I guess that's right. They were probably pretty good jobs from the construction management standpoint; not bad work.

Swent: In a case like that, did you subcontract with Thai contractors?

Wilson: A lot. Yes, we did. A lot of the work was done by local contractors.

Swent: How did you work it out with Brown & Root?

Wilson: Well, the two companies that joint-ventured the business selected --for each of the jobs--selected a project manager, and it was his responsibility to do the work. So, as far as the relationship between Utah and Brown & Root, the relationship was excellent. Never a problem.

Swent: The manager would be chosen from one of the companies?

Wilson: Well, one or the other. Yes. Well, I didn't participate, personally, in that joint venture. It was at the time that was going on that I was involved in developing these mines, particularly the coal mines in Australia.

#### Peru's Nationalization of Marcona

Swent: Speaking of mines, Peru nationalized its mines in '68, just before that.

Wilson: Yes.

Swent: That affected Marcona.

Wilson: Sure did. You bet.

Swent: And, indirectly, you, I suppose.

Wilson: Well, I don't know how directly it affected me.

Swent: I said indirectly.

Wilson: Indirectly. I guess so, yes. I was on the Marcona board about that time. I was on the board when Peru took the mine over.

Swent: What did that involve?

Wilson: Well, that involved the confiscation of all of Utah's assets in Peru. That was pretty simple.

Swent: Did you get any?

Wilson: No.

Swent: Nothing at all?

Wilson: I think there was some payment from the government--foreign investment insurance concern. I am not clear at this date on

that. But now we were just essentially--. Peru was--. Peruvian investments were gone.

Swent: But you kept the shipping?

Wilson: Kept the ships.

Swent: That was separate?

#### A Caribbean Aragonite Operation and Problems with Drug-runners

Wilson: Yes. And Marcona had become involved in a modest-sized aragonite operation in the Caribbean. Aragonite is a calcium carbonate that is precipitated in sea water. It had some saleability as pure calcium carbonate--virtually pure calcium carbonate.

That operation had its difficulties. It was small and it was tough to sell that product in sufficient quantities to make any real money out of it. The price of araganite was relatively low. The margins were very low.

Swent: Everybody needs Tums.

Wilson: Yes, [laughter] but they guy who is selling the calcium carbonate to the manufacturer of Tums doesn't make much money.

The most vexing problem we had with that job was that this was on a small island in the Bahamas, and the drug runners started to use that island as a transfer point.

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Wilson: The plane would buzz overhead, and the workers would rush out to the plane and off-load the dope, and the mosquito boats would congregate, and they would load it on the boats, and it would be gone. Management would notify the coast guard when they thought something was about to occur, but they did it so rapidly, and the mosquito boats just went in every direction, and the coast guard planes and vessels just couldn't track them all down.

Swent: Where were you mining?

Wilson: We were dredging. It just was like sand, and we'd dredge it up.

Swent: And these planes were landing on the sand?

Wilson: Well, we had an airstrip on the island.

Swent: For your own use.

Wilson: Yes. We finally sold that one. Boy, I was glad to get out of that mess.

Swent: What was the name of the island?

Wilson: I don't know. That's a good question. Perhaps I'll remember that before the session's over.

Swent: Okay.

Wilson: Let's go on.

Swent: So you were shedding some of the problems as you went along?

Wilson: Yes.

Swent: I had one thing here, too. This came from the annual report. Something was made of the relief work that you did in Peru after the Callejon de Huaylas earthquake.

Wilson: I wasn't involved in that. That was the Marcona enterprise.

Swent: I see. But that was after they had been kicked out of Peru, I thought. The earthquake was in 1970, and they were nationalized in '68--and yet they went back in with a massive earthquake relief effort?

Wilson: I just can't shed any light on that.

Swent: It was a good public relations move.

Wilson: I suppose so. Yes.

Swent: I was surprised at the timing on that, that they would--. In fact, Marcona wasn't even near that earthquake, was it?

Wilson: I don't know. You know, I'm just a blank.

Swent: Okay.

Cyprus Mines and Marcona: A Bad Taste in the Mouth

- Wilson: I guess the final chapter of this Marcona thing is that after the Peruvian assets were nationalized, that left Marcona Corporation with some substantial debts. Our partner at Marcona was Cyprus Mines. Cyprus refused to fund its share of the debt. Rather than have an associated enterprise renege on bank loans, Utah was forced to take Marcona from Cyprus, then pay off those debts. It was-- Well, that left a kind of a bad taste in my mouth, at least. I think there was something like one hundred twenty million involved. Utah, at that stage of the game, couldn't let its reputation be impaired by Marcona's debts.
- Swent: So what did that do to Cyprus's reputation?
- Wilson: Cyprus didn't care; and I don't think it had a very good reputation anyway.
- Swent: Were you the operating--?
- Wilson: Yes. I was the guy responsible at that point. Well, Littlefield was responsible for the deal and buying out, but I was the one who had relations with the Cyprus people. One of my goals for this joint venture--we for a long time had been a partner of Cyprus in the Pima copper mine in Arizona.
- Swent: That was going well at that time, wasn't it?
- Wilson: Yes. You bet.
- Swent: And Mt. Goldsworthy was still going well.
- Wilson: Yes.
- Swent: Was Utah the operator in the Marcona joint venture?
- Wilson: No, Marcona was separate and set up its own operating management under Chuck Robinson--Charles Robinson--who was a protege of Ed Littlefield. Back in the old days, I guess, he and Chuck had worked together, shortly after business school--Golden State Creamery. Ed Littlefield had hired Chuck Robinson. Chuck has always made me nervous--nervous as the dickens--because he had big ideas that had little basis in practicality. But anyway, it wasn't until Chuck left Marcona and went to Washington and became undersecretary of state for economic affairs--this was under [Henry] Kissinger-- It was quite apparent, at that time, that Chuck was bailing out of a sinking ship. Ed Littlefield was very distraught about that.

Swent: So Christensen succeeded Robinson, then?

Wilson: No. Christensen was president of Utah when the Marcona joint venture was formed. It was under Christensen that Chuck Robinson set up an independent management organization. Robinson had first reported to Christensen, and then Robinson reported to the board at Utah-Cyprus. At this point, then, Christensen was out of the company when Marcona finally collapsed.

Swent: I was trying to figure out how Cyprus could--what rationale they could use for not cooperating in this debt. If you've got a partnership, you're both liable, aren't you?

Wilson: Well, you know, sometimes Cyprus did some irrational things. They had some irrational members of management. They had some good guys in management, too, but--.

Swent: Was Henry Mudd still there?

Wilson: Yes. Henry Mudd was really flaky.

Swent: Was he?

Wilson: Yes. That was--. Henry Mudd and Ken Lieber were the--. I guess I'd call them the irrational part of Cyprus. Paul Allen was a first-class guy.

Swent: Well, that was a little hard on Utah, then.

Wilson: Well, it was hard only to the extent that it cost us some money, but I think it was beneficial to Utah to sever that relationship.

Swent: Did you get out of Pima and Goldsworthy, then, at that same time?

Wilson: Yes. We sold our share of Pima Copper at about that time. We continued ownership of Goldsworthy.

Swent: But there were other people in that, as well, with you, weren't there?

Wilson: Yes. Consolidated Goldfields of London and Cyprus and Utah.

Swent: So you had a busy time, there, as executive vice president.

Wilson: It was fun. I worked like the dickens, but it was sure fun.

Swent: You were executing right and left. [laughter] But you thought it was fun. That's great. Let's see, from '70, then, to '75, things were just sort of rocking along?



Wilson: Well, Utah had an explosive growth during these years. Finally the coal activities in Australia came to a head.

Acquisition of Ladd Petroleum, 1973

Swent: You acquired Ladd in 1973?

Wilson: Yes. [pause] Now ask me the question: why did we acquire Ladd?

Swent: Oh, all right. I'll ask you. [laughter] What did that involve? Whose idea was that?

Wilson: That was Ed Littlefield's idea.

Swent: Okay. Why?

Wilson: That was about the time when Ed began to become concerned about our dependence on Australia--principle earning source--and he was looking for something, some way to diversify the source of earnings. He felt Ladd might do it, but Ladd was too small to really have a significant impact. It was interesting to be involved with Ladd, and interesting to be involved, even tangentially, in the petroleum business in those days, but--.

Swent: At that time, uranium was still great.

Wilson: Yes. But the Ladd involvement really didn't do a heck of a lot for Utah.

Swent: What was the connection with Ladd?

Wilson: The connection with Ladd?

Swent: Were they friends or relations?

Wilson: I think Ed had met Bert Ladd in Palm Springs--played golf with him--but that's a little bit of mystery, so I don't know much about that.

Swent: A lot of business gets done on the golf course, doesn't it? [laughter]

Wilson: Well, that's what I'm told.

Swent: So that was sort of a forerunner to the GE episode?

- Wilson: It was a little sideshow. Looking back on it, the association with Ladd was good in some respects for us, because it gave us another potential area of expansion and investment. It really didn't grow as we thought it might.
- Swent: Where were they?
- Wilson: Ladd was headquartered in Denver.
- Swent: Denver.
- Wilson: We fiddled around in the petroleum business. We bought a company in Wichita, Kansas, that was identified by Ladd, but it never--the petroleum business did not become a significant part of Utah.
- Swent: There's a big difference between oil and other minerals.
- Wilson: Boy, I'll say. A big difference in the kinds of people that are involved. These small oil companies are all run by promoters. They have to be good promoters in order to generate the capital necessary to run a business. It's something that those of us in Utah were really not accustomed to, and it was kind of fun to be around those guys--the wheelers and dealers. [laughter]
- Swent: As long as you don't get burned in the process.
- Wilson: Yes.
- Swent: Ladd was one of the first things that GE got rid of, wasn't it?
- Wilson: No. Ladd was the last thing they got rid of.
- Swent: Oh, was it?
- Wilson: Yes. Ladd stayed with the General Electric Company when GE sold Utah to BHP.
- Swent: Oh, okay. I was remembering that wrong then. Well, let's not get up to that, yet. You have pretty well covered the merger with GE, but one thing we have not really said was that at the time, it was the largest corporate purchase that there had ever been--2.2 billion dollars.
- Wilson: Yes, that's right, 2.2 billion, and look at the size of corporate mergers today.
- Swent: Yes, but at that time, that was just world-shaking. A merger of that size caused tremendous excitement.

Selling the Uranium Business to Cogema

Wilson: It was interesting putting that deal together. One of the reasons that it took so long--it took almost a year--Littlefield and Jones had agreed on the details and the price till the time that it was finally completed was--. In order to secure justice department approval of the merger we had to set up the uranium operation independent of GE. That took some time. We finally sold the uranium business to a French company.

Swent: Cogema.

Wilson: Cogema. Cogema was a part-government-owned, part-public-owned French nuclear company. They had not been in the raw material business until they acquired our uranium assets. I negotiated that deal, too. Man, I'll tell you, working with the French is really a challenge. Boy! I guess that was my first time. Perhaps I worked with some French coal customers, but--.

Swent: What was special about it?

Wilson: Oh, I don't know. There are different things, different values, different ways of going about business. It just takes an awful long time to get anything done. You have to have dinners, and long lunches, and meet, and socialize, and speeches, and--oh, God --terrible.

Swent: Where did you do this?

Wilson: In Paris. I guess we had two meetings in Paris. We finalized the deal in Paris. I think we met in San Francisco first, and then had two different set-tos in Paris.

Swent: How did you happen to choose them to deal with?

Wilson: I think they were identified to us by one of the investment bankers--probably Morgan Stanley.

Swent: Had they been customers of yours?

Wilson: No. Maybe they had, but--somehow they surfaced. I'm sure it was through the investment bankers. I don't much know.

Swent: Did you negotiate with any other people?

Wilson: No.

Swent: Just them.

Wilson: I think we had some inquiries from some oil companies but didn't take them seriously.

Swent: How's your French?

Wilson: Terrible. I don't speak French at all. [laughter]

Swent: Not even the body language? Well, I could imagine that your style was quite different from theirs.

Wilson: But it was fun.

Swent: Some good food along the way, though?

Wilson: Yes. We sure did a lot of eating and drinking--my gosh.

Swent: But that had to be done sort of in tandem with the GE deal.

Wilson: Yes, because that came as a stumbling block with the justice department. That had to be done before we could get approval.

Swent: So you didn't have a lot of leverage, then, if they knew you had to sell.

Wilson: Yes, that was part of the problem, I guess.

Swent: If they knew that you had to sell--.

Wilson: Well, of course, they knew that they weren't the only possibility on the block. As I recall, we struck a fair deal with them. That pretty well takes us up to the GE deal.

Swent: Yes, I think so.





Alexis, Shelley, Kristie Wilson in the Lucky Mc pit, Wyoming, 1979.







Beverlee and Bud Wilson at Northstar family place. Bud was a director of Trimont Lord Company, developer of Northstar, 1979.



Bud and Beverlee Wilson, fishing trip in Alaska, 1987.





Bud Wilson, left, accepts safety award from the chairman of OSHA [Occupational Safety and Health Administration] for the Navajo Mines safety record. John Atkins, Navajo Mines manager, third from left. September 1980.







May 10, 1982, Beverlee Wilson launches the coal carrier *Orco Miner*.



*Orco Miner* on her sea trials, June 1982.







Bud Wilson and professional hunter Larry Ward in Tanzania with an elephant with crossed tusks, July 1983.





Bud and Beverlee Wilson with Gavin McDonald during a visit to Blackwater Mine, March 1987.







Bill Hayden, Governor General of Australia, pins on Alexander M. Wilson the insignia of the "Order of Australia" granted by Elizabeth, Queen of England and Australia, April 24, 1989.



Sir Bill Hayden, Alexander and Beverlee Wilson after the ceremony.







Fiftieth wedding anniversary, January 4, 1998. Left to right, standing: Alexis Fallon, Steve Dupuis, Shelley Dupuis, Bud Wilson, Ryan Dupuis, John Keyes, and Kris Keyes. Seated: Alex Fallon, Bev Wilson, Chrissy Dupuis.



## XIV FIRST PRESIDENT OF UTAH NOT RELATED TO A FOUNDER

1971, A Time of "More Than the Usual Uncertainties"

Swent: In the 1971 annual report, it says, "We enter 1972 with more than the usual uncertainties beclouding the business outlook." That's a nice way of saying things looked pretty bleak, I guess. "Construction activities were terminated....the dredges were sold....the copper prices weakened....industrial unrest in Australia."

Wilson: What year was that?

Swent: That was the 1971 annual report. I'm not sure if it was a GE report or a Utah Development report. Anyway, they had some new directors--Paul Wattis, Jr. Paul Wattis, Sr., had died or retired?

Wilson: Yes. Paul--his father had retired, and then shortly thereafter, passed away.

Swent: So that continues with the founders, then, still as directors?

Wilson: Yes.

Swent: And Fred Borch, who was at GE--.

Wilson: Fred Borch was chairman of the General Electric company, and he was on the board.

Swent: And he was CEO--.

Wilson: Of GE, yes.

Swent: GE, right. And Thomas Dee succeeded Lawrence Dee; that's another one of the founders.

Wilson: That's right.

Swent: And you stepped in as president and the first person that wasn't a founder.

Wilson: Yes.

Swent: At a time that there were "more than the usual uncertainties." That's a euphemism, I'm sure.

Wilson: We had two problems at General Electric Company in that year. One was a strike at the coal mines.

Swent: In Australia?

Wilson: In Australia.

#### "Industrial Unrest" Reveals GE's Different Motivation

Swent: "Industrial unrest," it's called.

Wilson: Yes. Industrial unrest. We had decided to tough it out, to take the strike, because the union demands were such that, had we acceded to them, we would have seriously impaired our margins. It would have been tough. But General Electric Company didn't see it that way. They began to see the earnings impacted by the strike, and Reg Jones got just nervous as the dickens. Finally, I was, I guess, in an airport in Seattle, about nine o'clock at night. He got to me and said, "Settle the strike." So we had to settle it.

It made all of us on the Utah side pretty nervous because it was the first demonstration that we weren't the boss, that we had another chief with motivation different from ours. That was kind of tough to take, but we did settle the strike, and it finally--. I guess we overcame the difficulties by increasing the coal prices.

Swent: You were able to pass it on, then?

Wilson: Yes. I think that's what happened.

### A Peculiar Relationship with the Japanese

Swent: But you already had contracts.

Wilson: I think we were renegotiating those contracts. The relationship with the Japanese in those days was interesting--kind of a peculiar one. The Japanese depended on foreign raw material producers for their basic natural resources. If one of the producers got in trouble, the Japanese would--not always, but they would generally help that producer ameliorate his problems. The Japanese were faced with--

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Swent: You were just saying that the Japanese were facing this situation with the coking coal.

Wilson: Well, the coal they were purchasing from Utah was the lowest cost and the highest quality coking coal available to the Japanese. So they would--well, they did on several occasions--bend over backwards to see that our demands for price relief were, if not in total, were at least understood.

Swent: Right. But you don't like to push them into that spot often?

Wilson: No. No, you can't do that often. But the relationship with the Japanese steel mills, in those days, was very good.

Swent: Were you still dealing with Mitsui?

Wilson: Mitsubishi was our principal. Mitsubishi had a small interest in the coal mines. They were the trading company through which all the coal was supplied to the steel industry.

### The Communist-Dominated Australian Coal Miners' Union

Swent: What were the Australians asking for? What was the problem?

Wilson: Well, I would have to do some research on that. I remember an incident that I'll relate which might explain part of it, at least.

When the strike started, I went to Australia and had arranged to have lunch at the Blackwater Mine with the head of the coal miners' union. The coal miners' union was headquartered in



Sydney. So we met at the lunch table with some of our lieutenants on each side. I put out my hand to shake hands and welcome him, and he put his hands in his pockets.

Swent: Oh, my.

Wilson: And he said, "Mr. Wilson, before we go any further, I want you to know that I'm a member of the Communist party, and I see my job as not to reach an understanding with companies, but my job is to frustrate 'em." [laughter] So that's the way we started lunch.

Swent: Oh, my goodness.

Wilson: So that's what we had to put up with. The coal miners' union was a communist-dominated union, and they just delighted in making trouble--not only for us, but for everyone else. But we were prime targets because we were foreign-owned.

Swent: Sure. And you can hardly negotiate with someone who has an attitude like that.

Wilson: There was no negotiation to speak of. None at all. [tape interruption]

Swent: Well, we've had a little interruption while Bud discussed his travel arrangements to go grouse shooting in Scotland next week. Do you want to go back now to Australia?

Wilson: Well, I think we've finished Australia. Really, we were talking about General Electric Company, and in those early days, a couple of the problems I had with them--settling that strike was one, and settling an antitrust lawsuit was another.

#### Settling the Antitrust Lawsuit

Swent: What was that about?

Wilson: Westinghouse sued the uranium producers, alleging that the uranium producers had come together and conspired to fix prices. I was named in the suit. Westinghouse attorneys had found in our files during discovery procedures a memorandum from me to the fellow who was selling uranium, which memorandum said, in essence, "Don't sell uranium at the current prices."

Swent: This was to a person in your company?

Wilson: Yes. So that was taken as a--. Westinghouse lawyers said, "Aha, there's proof that this guy is part of a conspiracy." During my deposition, I made it pretty clear that I was not part of a conspiracy, that I had stopped the sale of uranium at the current prices because Shirley Basin couldn't make any money--we were losing money. When the question was asked, Why didn't you--. Your engineers had given you a cost estimate that proved that you could have made money. I said, "I didn't believe the cost estimate. I didn't think they were capable of giving a good estimate."

Anyway, we were not a party to a conspiracy. We had never been, and to my knowledge, I had no knowledge of any such undertaking amongst the uranium producers. But, by golly, I got a telephone from Reg Jones. I was at the Connaught Hotel in London, waiting to go on to Edinburgh to shoot grouse one time, and Jones said, "Settle this suit." Gee, whiz. So I called Littlefield, and then he called Jones, and we were forced to settle. And, gee whiz--. That was just--. Settling the suit, to my mind, was tantamount to saying we shared some guilt, and we did not.

As I recall, those were the only two significant problems I had with Jones.

Swent: Wasn't there some meeting in Johannesburg?

Wilson: Yes, the meeting of the uranium producers. It was some society or other.

Swent: Were you there?

Wilson: No, I wasn't there. Perhaps one of my fellows was there. See, Westinghouse had contracted to fuel some nuclear power plants at a price that they couldn't--that was lower than their costs, and they were attempting to find some way to get at the producers to decrease the price.

#### Reg Jones: A Fine Man, But on a Different Track

Swent: And Jones wanted to settle?

Wilson: Yes. Jones was really--. Anything that got the security analysts agitated--Jones became agitated. This, for me, was a real pain in the neck, because I had been used to, by that time, essentially running my own show--at least doing what I thought was right--and to have a guy like Jones--.

I shouldn't say "a guy like Jones." Reg Jones was a fine man, but he had General Electric Company shareholders to consider, and so that put him on a different track. Otherwise, Jones was easy to get along with.

Swent: You would think that he wouldn't be that anxious to please Westinghouse after the long history of antagonism there.

Wilson: Well, I think you look at the lawsuits that GE has been involved in--particularly anything having to do with price fixing. One of the former chairmen of GE had had an awful time in price fixing and an antitrust suit, so any time an antitrust suit was brought against General Electric Company, GE would attempt to find some reasonable way to settle it, rather than fight it in the courts. [long pause]

#### Jack Parker, Friend and Colleague

Swent: You've been grouse shooting for a long time, then.

Wilson: Yes. Sure have.

Swent: You were able to keep on with that even through all this?

Wilson: Yes, and really, the instigator of that was a man to whom I reported directly in GE--the vice chairman of General Electric Company, Jack Parker. Parker and I became good friends and see each other often--go hunting and fishing together, shooting. But it was interesting fallout from that relationship.

Swent: You were meeting these people only now and then, I take it, when you went back East for these--you mentioned Jones's monthly meetings.

Wilson: Yes. Once a month.

Swent: An executive council. How did you feel about that?

Wilson: How did I feel about it? I felt very uncomfortable, but it was something that had to be done. It was strange to me, and it was strange management--a different way of going about business. I tried to--well, I did my best to be seen by the GE executives as trying to do what they wanted done. It went along pretty well under the Jones regime. He essentially let Utah run its own business except for these two things that I've mentioned here.

Swent: Well, you did very well for GE.

Wilson: Yes, we did.

When Jones retired, Welch took over and Parker retired.

Swent: Welch came in in 1981.

Did Jones just reach the age of retirement? Is that what happened to Jones?

Wilson: Yes, I think so. Jack Parker was the GE executive who was responsible for Utah, and Jack had a much better understanding of businesses with long lead times. He had developed the jet engine business in General Electric company, among others. He had, very quickly, acquired an understanding of our business that was not shared by others at General Electric Company.

Jack Welch, "A Hell of a Guy to Work For"

Wilson: Jack retired at the same time that Jones did. Then comes along a new management team with General Electric Company: Jack Welch, chairman; John Burlingame, vice chairman; Ed Hood, vice chairman. I reported to Burlingame, who was a pretty nice guy, but Jack Welch was a fellow of very different stripe. Jack made it clear when he first took over that he didn't like the mining business; he didn't like Utah; and he didn't like the people working for Utah. That's the way we began to associate with each other.

Swent: My word. How did he express this?

Wilson: Just as I expressed it to you.

Swent: Oh, really.

Wilson: Yes, on an airplane flying from San Francisco to White Plains. Welch had had a good deal to drink at that point, and I think perhaps, had he not, he would have put it a little more--.

We had a meeting in Florida when it was Jack Welch--when his appointment as chairman was announced, and Jim Curry, who was my chief finance officer at the time, was at the meeting. Somehow, some way, Jim Curry crossed Jack Welch. Jack took me aside and told me he wanted me to fire Curry--that night.

Publicly, Welch said, "I'm setting up the company to run with its independent units. They will make the decisions." That's baloney. Welch made every decision involving the people and the things throughout the company. Welch did a marvelous job --is doing a marvelous job--at General Electric Company, but, boy, I'll tell you, from a personal standpoint he's a tough guy to work for.

#### Assigning Jim Curry to Australia

Wilson: He was so set on getting Curry out of the company, that--. We would have annual meetings about people evaluation, and he was on me for two years about that. Finally, John Burlingame said, "If you want to save Curry, you have to get him out of the country where Jack doesn't see him." So, okay, I decided to send Jim to Australia, to put him in over-all charge of the coal mines and the Australian activities.

Welch heard about that, and he said no. Welch said, "You put Ralph Long as head of the activities and have Jim report into him." Well, that made Curry furious when he learned that he would be reporting to Ralph Long.

We had an office set up. Actually, Keith Wallace had set it up in Sydney. So we had--.

Swent: You had just moved your headquarters to Sydney, I think, recently, hadn't you?

Wilson: Yes. And for that reason we had sent Keith Wallace out there. Then I put Ralph Long in Sydney and Curry in Brisbane. You know, to this day, Jim bears a grudge against me for that--for having what I suppose he saw as lack of confidence in him. I never told him that I did that to save him from Jack Welch. Oh, man, I tell you, Jack made my life miserable.

Swent: He must have.

Wilson: He would say some of the darnedest things--at least he did to me. He made it clear that he didn't like Jack Parker.

Turning Down an Investment Opportunity in Zululand

Wilson: One time I had to--. When we had an investment opportunity analyzed, I'd have to run to General Electric Company with it. We had a anthracite coal property in Zululand, in South Africa, and it looked like a pretty good business could be developed in selling anthracite for fuel in Europe. We did all of our engineering and cost estimating, market surveys--all the things you do. Here is--I don't know what this thing's going to cost--a hundred million, maybe. So I took the proposition to the executive council, headed by Welch. First I took it through Burlingame, and he thought it sounded okay. I cleared it with him, and I took it there to the meeting with Welch, Burlingame, and Ed Hood. I'll never forget this. Ed Hood would watch Welch, and if Welch frowned, Hood would frown; if he smiled, Hood smiled.

I went through my song and dance. Welch looked at me, and he said, "I hate you white hunters"--referring to Parker and me and our interest in Africa. This was a time when some of the public was getting down on Africa and getting on to publicly-owned companies doing business in Africa. So Welch saw us as putting him on the spot, I think. That was his response--and that was the end of the anthracite deal.

Swent: Oh, my.

Disvestiture was the code term--.

Wilson: Oh, yes. That was the key word in those days.

And, you know, I guess I didn't have the feel of it in those days. Certainly I was not as sensitive to the industrial relations side of the business, perhaps, as I should have been, but, gee, I tell you: Jack was a hell of a guy to work for. Man!

Welch Decides to Sell Utah; Escondida Made Him Nervous

Wilson: We had the Escondida property. I think by the time--by this time --we had spent about \$87 million in drilling Escondida.

Swent: That was in Chile.

Wilson: Chile, yes. By 1980-'81, we were getting pretty close to developing or finalizing our engineering and cost estimating and developing a plan for bringing Escondida into production. It was



going to cost something like a billion and two hundred million--some such modest sum. [laughter]

Jack was just nervous as hell, and he finally said, "No, I won't do it. Just forget about bringing that to me." He said, "I don't like the business, so I don't want to be a part of it." And that's when the sale of Utah was decided. At a meeting that I had with Welch, he told me that he was going to sell Utah, hoped to keep it as a business unit. If he couldn't find a buyer, he would sell the assets, but he wanted to keep it as a unit. He thought he could make more money out of it. I'm not quite sure--I think it was Burlingame who approached BHP. He did that right after I told him that I thought BHP would be the most logical buyer of Utah. Burlingame essentially negotiated the deal with BHP.

Swent: It is pretty remarkable that you were able to stick that out.

Wilson: Well, you know, when GE acquired Utah, I did a little research and found that the average life expectancy of the head of an acquired company was five years; so I figured I was going to be out in five years. I developed vineyards, and I was going to go into the farming business.

Well, I was fortunate enough to tough it out. There were many times I would have folded up, thrown in the towel, and said, "The heck with it," but I knew that if I did so, then the people who were working for me would be subjected to all this GE stuff, and it would have been unpleasant. So I stuck it out. Then when the BHP deal came along, altogether different story. Now Utah is owned by a company that is involved in the natural resource business, understands, and wants it--thought the people working for Utah were the best people in the world.

Swent: That's quite a different attitude, isn't it?

Wilson: Boy, I should say. [laughter]

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Wilson: That's a different story.

Swent: But Jim Curry didn't stay with BHP very long, though.

Wilson: No, he didn't.

Swent: No, but that's his story, I guess. But you did keep him with GE all that time. He stayed through and then succeeded you.

Wilson: That's right. Well, maybe at the next session we'll get into that story.

Wildcat Drilling Locates a Bonanza on the Second Try

Swent: What about Escondida? This is the first mention you've made of it. How did that come about?

Wilson: Well, Escondida--you mean how did what come about?

Swent: Did you do exploration and find it? Or did you acquire it?

Wilson: Oh, no. I think probably we started a program that was proposed to us by a consulting geologist, David Lowell, who had a theory that the Chilean copper deposits were formed at intersections of faults--minor faults--transverse to the major fault that has a name; it runs almost the length of Chile. So our head of exploration came to me, explained the theory, and explained that the proposition was that we would fund wildcat drilling. That these fault intersections would be identified, and that we would just drill one fault intersection after another. The deal with the consultant was that, should we be successful, then we would pay him five million dollars. Should we find something that we would bring into production, then we would pay him five million.

The second fault intersection we drilled, we hit Escondida.

Swent: My goodness.

Wilson: Yes. I tell you, for a mining man, that Escondida was the greatest thing that could happen. When we completed the drilling, we had identified--I think it's over 759 million tons of 1.63 percent copper, which for a mining guy is a bonanza. Then the proto-ore, the stuff underneath--there was a couple of billion tons of nine-tenths percent copper. Which is twice the grade of Kennecott, for example. Gee!

Swent: Well, it was--still is--the most exciting copper mine in the world.

Wilson: It is, yes, certainly. The largest producer and the most profitable.

Swent: The richest and biggest.

Wilson: Yes. That was fun to put together. We put that together under BHP.

Swent: But you already had it under GE?

Wilson: Oh, we had it, but it was--. The decision was made to bring the ore body into production under BHP. By that time, Jack Parker was on the board. When we went to the Utah board--. The deal with BHP was that Utah board had ten million dollars--they could make their own decision. Anything in excess of ten million had to be referred to the BHP board.

Swent: BHP?

Wilson: BHP board. This is now--BHP owns Utah. Parker was on the Utah board.

When Brian Loton, who was then the chairman of BHP--. It was Brian and his chief finance officer, Geoff Healy.

The plan was laid out to the Utah board. Loton and Healy were shocked at the price, at the cost, and shocked at the whole idea. As a matter of fact, they probably didn't know where Chile was. Jack Parker looked Loton in the eye and he said something to the effect that any company--any mining company--that turned this deal down doesn't deserve to be a mining company. [laughter]

#### GE Couldn't Understand the Philosophy of the Mining Business

Swent: But GE wouldn't have gone anywhere with it.

Wilson: No. Well, Littlefield told me later that he, after, oh--three or four years ago, BHP's share of the Escondida profits exceeded a billion dollars. That's a billion dollars Australian, which is, say, \$750,000 in the U.S. He told that to Welch, and Welch said he just didn't have the courage to get into something like that. Welch and the GE people want to control the markets, control the pricing. In the mining business--particularly in commodities like copper--you don't control the price. You make your money out of mines by being the lowest cost producer. If you're the lowest cost producer, you've got it made, but that philosophy is something that General Electric Company just could not bring themselves to understand. Of course, they have no background in mining. They didn't know whether we were being factual or feeding them baloney.

Swent: They were cautious.

Wilson: Yes. They were cautious. But under BHP, the whole--all the relationships--the pressure was off, because now we had an owner that understood the mining business and wanted to expand the mining business. From a personal standpoint, they made it clear that they thought I had done a heck of a good job in Australia, and the other Utah folks, like Keith Wallace and Ralph Long and others, had done a fine job and they respected them--altogether different. Let's get into that next time.

Swent: Yes, well, we'll wait with that. Now the shipping was still--you had the mining and the shipping.

Wilson: We kept the shipping under--. We kept the ships in the organization while we were General Electric Company. When we went into BHP, then that was all transferred into BHP's shipping organization.

Swent: But you had been overseeing--running--all the mining and the shipping?

Wilson: Yes.

Swent: And I guess that was enough, but that was it, right?

Wilson: Yes, that was it.

Swent: I've got a note here that says that even before you went with BHP, that you were negotiating oil acquisitions for them in the U.S.

Wilson: For them? No. That's not correct. We--the Ladd organization made one acquisition--that was a company in Kansas City, but it wasn't until we got to BHP that we decided to expand that.

Swent: But you had had, of course, plenty of contact, I suppose, with BHP in Australia. You must have run into them in the coal business.

Wilson: Oh, sure did. Yes.

Swent: But that was the way that you knew them. Would you like to expand on that?

Wilson: Well, they knew us, too. There was a year that Utah Development Company, which was the name--the corporation--under which we operated in Australia, made more money than BHP made. So we were known to them.

Swent: Yes. Well, I'm sure. Well, do you want to be philosophical for just a few minutes?

Wilson: Why don't I be philosophical after we get through with BHP?

Swent: All right. I've got a note here about authoritarian leadership. It sounds as if you had plenty of that at GE. That's authoritarian to the extreme, isn't it? I think it is remarkable that you were able to stick that out. How many years was it?

Wilson: It was '76 to '84.

Swent: So it was a lot more--almost twice the five that you anticipated.

Wilson: That's right. Yes, that's right. Those were tough years, I tell you.

Swent: I'm sure. Well, do you want to call it quits for today, then?

Wilson: It's up to you.

Swent: It's probably a good stopping place.

Wilson: Well, that's fine with me.

Swent: All right. This is forecasting, but were you getting into any of your community activities at this time here? Or did you have any time at all for that?

Wilson: Yes. I was involved in some San Francisco things. One year, I was the chairman of the United Way--San Francisco United Way.

Swent: That's a big job.

Wilson: That took a lot of time, but I had some good help. I served on the San Francisco Chamber of Commerce for a number of years.

Swent: That was sort of expected of you, I suppose?

Wilson: Yes. I think so. Yes.

Swent: Littlefield did--has done and still does--a lot in San Francisco. Did you follow with any of his favorite things?

Wilson: No, I really--.

Swent: You developed your own?

Wilson: Yes, I did. Not consciously. Ed and I have worked well together. I think you can probably detect from what I've said that Ed apparently had confidence in me and let me pretty well run my own business. Ed attended the financial side of the business, but let me handle the operating side, which suited me.

Swent: It worked just fine.

Wilson: Worked fine. You bet.

Swent: Yes, it did.

Wilson: He and I worked together and made a lot of people rich. That was said by one of the Eccles clan, one time when we were at a party in Ogden. Ed and I walked into the room--or Bev and I walked into the room--and somebody said, "Oh! Here are the folks that have made us rich!" [laughter]

#### Service on Smith-Kettlewell Research Foundation Board

Swent: That's true, very true. When did you start your interest in the Smith-Kettlewell Eye Institute?

Wilson: Well, that came about through a lawyer who is a partner of Pillsbury, Madison, & Sutro who handled Utah's account there-- Harry Harrow. Harry had known the Kettlewells, and Smith was a Guy F. Atkinson owner or part-owner. So, when the research foundation was put together, Harry was its legal counsel and director. Some time--I suppose it was about 1980 that I joined the Smith-Kettlewell board at Harry's recommendation. It's the only such board that I've been on where the directors were not obligated to raise money for them.

Swent: How nice.

Wilson: It was a funded enterprise, and really quite interesting.

Swent: It has been a wonderful thing. Are you still on it?

Wilson: Yes.

Swent: It's been a long time.

Wilson: As a matter of fact, I'm vice president.

Swent: Oh, are you? Good.



Wilson: [laughs] I think that means that next year they want me to be president, but I'm afraid I'll have to decline. I just don't want to be that involved.

Swent: Why?

Wilson: Time. I can think of all sorts of reasons not to travel to San Francisco. But I do enjoy Smith-Kettlewell. Working with scientists and doctors is something that I find very interesting. Boy, there sure are a lot of sharp people involved in that enterprise.

Swent: Well, the developments in ophthalmology in the last few years have been incredible.

Wilson: Yes. Sure have.

Swent: It's very exciting. It must be very gratifying to be a part of it.

Wilson: Well, it's interesting. Gratifying? I don't know, because the only thing the board contributes is watching the money. That's the board's function. We meet quarterly. At each meeting, we have lunch with the staff and various of them put on little show-and-tells for us to keep us in the picture of what they're doing.

Swent: Well, that's important.

Wilson: Yes. It's fun. They're good people. I just really like to be associated with people who are very good at what they're doing, and that crowd is very good.

Swent: You said you started planting vines at your ranch.

Wilson: Oh, yes. [laughs] I thought I was going to be out of a job.

Swent: Do you still have--?

Wilson: I still have part of them. I sold off quite a bit--the wine grape part of the operation.

Swent: That's as chancey as copper.

Wilson: Oh, God. It's worse than copper. I tell you, it's worse than mining. [laughter] You have no control over market, production, weather--it's awful--bugs--.

Swent: When did you become a friend of Bill Hewlett?

Wilson: When he joined the board of Utah back--I don't know--I guess before I became--. He was on the board well before the GE acquisition.

We had some great guys on board: Hewlett, Arjay Miller--who was the former president of Ford Motor Company. He came on the board when he came out here to head the Stanford Business School. It was Ed Littlefield who brought them aboard.

Swent: Who were some of the other board members?

Wilson: We had the family directors, you know.

Swent: Yes. Dee and Wattis.

Wilson: And Eccles. George Eccles, until he passed away.

Swent: Did you bring anybody on?

Wilson: Ken Derr, who was chairman--head--of Chevron.

Swent: Was he your recruit?

Wilson: Yes. I recruited him. I guess I also recruited--who was it? I don't know. I'll look up some names. We'll tackle this later.

Swent: Okay. You do that next time. Well, we've done a good job today. So you'll be pondering between now and tomorrow morning?

Wilson: I'll try to ponder, yes.

Swent: All right.

Wilson: Tomorrow we'll talk about BHP.

Swent: Yes.

[Interview 7: July 31, 1997] ##

Swent: We're continuing the interview in Los Altos, California, on July 31, 1997, after an interview yesterday. I like to have consecutive interviews, and have them kind of close together, because I think it works better. You get a chance to think about what you said yesterday, and maybe add to it.

Positive Factors in Experience with General Electric

Wilson: Yesterday I think my remarks about General Electric Company were mainly negative and having to do with the frustrations I had with working with those folks. I did, I think, overlook the positive factors involved in my experience in General Electric Company. I was fascinated with their management style, and learned a lot about management from them. General Electric Company--GE--is keen on developing manpower. They really, I thought, went a little bit overboard. [phone rings on fax machine]

Swent: I thought we turned that off.

Wilson: No, that's the fax. Let me turn this off. [pause]

As I said, I think I learned a lot about management and developing people skills that I hadn't given particular attention to before that time. Another positive factor was having a relationship with the second and third layers of management in GE. There are so many fine people.

Swent: This isn't going to work. We'll have to wait until that fax is over, because this mike [microphone] is so sensitive. It picks up everything.

Wilson: I don't think I'm saying this very well. [long pause while fax runs]

Swent: Well, maybe we can just talk over it.

In the annual reports, of course, Welch makes a big point of his emphasis on people as most important.

Wilson: Yes. Of course, I described to you what I--. Welch said all these things that were simply not true--that he would allow units to do their own thing. Baloney. He was on the backs of the management people constantly. Perhaps those whom he favored, like Hood and some others, maybe he let them go, but gee whiz.

This is going on forever. [referring to fax]

Swent: Well, okay. We'll just have to wait.

Wilson: Facsimile machines are marvelous inventions.

Swent: Yes, they are. This is coming from England?

Wilson: No. This is coming from across the bay. This is my son-in-law.

Swent: Oh. [pause] Is that it? There's something else that's making a lot of noise in the background, and I don't know what it is.

Wilson: I'll turn this off.

Swent: That helps a lot. These mikes are so sensitive that they pick up all this stuff.

Wilson: What kind of things should we talk about?

Swent: Well, let's talk about management style a minute if you want to. One of the things that you were noted for, I think, at Utah-- people said that your door was always open, and that you were always accessible. How do you evaluate yourself?

Wilson: Well, I guess I hadn't thought much about it.

Swent: And then compare it with what you found at GE. Was Welch's door open?

Wilson: No.

Swent: Yours was, I think. That's what I've been told.

Wilson: Yes, well, you know, Lee, I was fortunate to have some fine people working for me. [more fax interruption]

Swent: [Talking over fax noise] You were fortunate, you said?

Wilson: Well, I was talking about open-door management. We were a company that had a relatively small management team. The fellows were first-class, and it seemed like we were all friends. We worked together, and I had great respect for those folks and great confidence in them. So we really didn't have any problems between us. Some other people--you know, other companies--have a much more formal management style. [pause for fax noise]

I apologize for that thing.

Swent: That's okay. That's all right. Is that the end?

Wilson: I don't know. [long beep] Yes, that's the end. Now we can relax.

Planning Public and Employee Relations at Escondida

- Swent: Okay, good. Well, what about--I notice in one of these articles about Escondida, it mentions that the employee dining room was a big change from Codelco--that Codelco had several levels of dining facilities, and one of the things that Escondida put in, which was a revolutionary move, was one common employee dining room.
- Wilson: That's right. Yes.
- Swent: Was this done consciously?
- Wilson: Consciously, yes.
- Swent: Whose idea was this?
- Wilson: Bob Hickman, reporting to Keith Wallace, put Escondida together. Our recollection of our political problems in Australia was fresh in our minds when we were doing this, so we wanted to be sure that we didn't get booby-trapped, as we were in Australia, by thinking that we could just do our job and keep our heads down and everything would be all right. So, in our planning, we stressed government relations, public relations, and employee relations. Particularly, we wanted to--at the mine--avoid some of the union problems that other companies had had. We hoped that we could build a workforce that was not organized by the Chilean unions. And we did so.
- Swent: You were able--you were allowed to do that?
- Wilson: Yes. So that dining room was just one of the things that Hickman thought would be important to establish better management-employee relations than Codelco had. I think it worked.
- Swent: Where is Escondida in relation to the other mining?
- Wilson: Well, Escondida is due east of Antofagasta by a hundred miles, which would put it south, by seventy or eighty miles, of the big copper mines operated by Codelco.
- Swent: So you were able to keep some sort of individuality there?
- Wilson: Yes, we were, not entirely, but we tried to be careful in the selection of the employees. Wallace is the guy who steered the development of Escondida.
- Swent: So that was a conscious decision, then, to go that route? What had been your style in San Francisco?

Wilson: Style in San Francisco? I don't know. Management worked together. You said someone said I had an open-door policy. I think that's right. I would talk to anybody who had something to talk about.

Swent: Did you have an employee dining room?

Wilson: No. We didn't need one.

Swent: And what about GE?

Wilson: Well, GE was built on--. Of course, being a heck of a lot larger company, they had a far different style--much more formal than I had been accustomed to. They had an awful lot of people involved in examining what other people were doing, particularly in--. [phone interruption--"off hook" beeping]

Swent: They won't let you do that. [laughs]

They had a lot of human relations people, right?

Wilson: Yes, they did. Under Reg Jones, they had an awful lot of people involved in examining investment proposals. Some called it Reg's security blanket--all these folks devoted to redoing proposals and recommendations that others made.

I remember one occasion in a relatively large meeting in GE headquarters office to discuss the business plan for the coming year. This discussion went on almost all day. Finally, at the end of the day, Reg Jones got up personally and collected every copy of the plan and put them in a safe. [fax machine rings again]

Swent: Put them in a safe?

Wilson: [talking loudly over fax] Well, because he said that he didn't want--.

I've got to do something here. [interruption]

Swent: Well, let's just relax and let it finish, and maybe it will--.

Wilson: Why don't we move some place? Let's move out of this room.

Swent: Okay. [tape interruption]

All right. We've had some interruptions with the fax machine, here. Let's start all over and see how we go.



Some historian a hundred years from now is going to get an interesting look at what life was like in 1997, with the fax machines. [laughter] Yes, they're a mixed blessing, sometimes, but they're wonderful.

You've got a lot of equipment here. My goodness. What have you got? You've got a copy machine, a printer, a huge rolodex, a computer, an electric pencil sharpener, a fax. What's that over there?

Wilson: Oh, that's the printer I used to use with Quicken. I'd print my checks on that thing.

Swent: Oh, I see.

Wilson: But I found that so confusing, I finally gave up on it.

Swent: Okay. Then on your desk, you've got another--.

Wilson: That's just a television.

Swent: A television, okay, and a phone.

Wilson: There's a flat-bed scanner down there that I haven't hooked up, yet.

Swent: Oh? What are you going to do with that?

Wilson: Well, I have some old, old photographs that I thought would be fun to play with on a computer and try to enhance them, but I haven't gotten very far yet.

Swent: That's the very latest gadget, isn't it?

Wilson: Yes, I'm afraid that one is obsolete even before I hooked it up.

Swent: Are you a photographer? Do you enjoy photography?

Wilson: No. I'm not really a photographer, but I'm interested in what one can do with improving images by digitizing them and playing with them on the computer. So I have that yet to perfect.

Swent: What sort of photographs are you doing? Your game pictures?

Wilson: Well, I've got a photograph, for example, of my grandfather sitting way out above a string of mules pulling a harvester. There are twenty mules out in front of him.

Swent: Well.

- Wilson: It is not a very good picture, and that's the one I thought I'm going to play with when I have time. That probably dates back to before 1900, so it is a hundred years old.
- Swent: Well, that would be a lot of fun. That's a whole new hobby, hmm?
- Wilson: I don't have time for all my hobbies. [laughs]
- Swent: No. I hadn't known about that one.
- Wilson: Well, so far it has been a kind of a disjointed session.
- Swent: Yes. We haven't gotten off to a very good start; so let's get off now. Yesterday went so extremely well, I guess, that we're going to have to get back into stride here a bit.



## XV BHP, A WHOLE DIFFERENT BALLGAME

Chairman Jim McNeil Admired What Utah Folks Had Done

Wilson: Let's start talking about BHP.

Swent: All right. Let's do that.

Wilson: I think I said yesterday that when BHP acquired Utah it was a whole different ballgame, because we were now owned by a company that was familiar with the natural resources business, wanted to enhance it, liked what we were doing, and were particularly attracted to the coking coal holdings we had in Queensland. But more to the point, I think, was Jim McNeil who was chairman of BHP at the time the acquisition was negotiated with GE--a man I had known for a long time and had come to respect. I guess Jim and I have become quite friendly over the years. He made it clear, early in the conversations, that he admired what Utah folks had done and liked the people. So it was different.

Swent: Where were these conversations taking place?

Wilson: Well, really the negotiations were conducted by John Burlingame.

Swent: I'm thinking of the informal conversations before the actual negotiations. Where were you having these kinds of informal exchanges?

Wilson: Just kind of all over the world: Indonesia--. Let's see. I bumped into--. Dave and I were in Johannesburg in South Africa, and we ran into Jim McNeil and his wife. It just seemed like we were--.

Swent: You were staying at the same hotel?

Wilson: Yes. We were. So our paths crossed reasonably often.

Swent: There was something about a conversation in Jakarta?

Wilson: Well, that was in the old--. Really, I suppose, that was 1969 that Jim's predecessor--Sir Ian McGlennan, the then chairman of BHP--was suggesting that it would be nice if Utah and BHP would collaborate on the coal mines in Queensland. We didn't need BHP at that point, and I think I may have said something to that effect.

Swent: Well, how did the idea actually germinate, then?

Wilson: How did the idea germinate? Well, I think the idea germinated--. First, I explained that Welch decided to sell the company--get out of the mining business--and hopefully to sell it as a going unit. When he--. I think that I suggested to Burlingame that BHP would be a reasonable shot. I don't know--maybe somebody else had mentioned that to Burlingame. I can't be sure. But I had played no part in the negotiations, so I was left out of it. I think I was quite happy to be left out of it. It was a GE matter, not a Utah matter.

Then, when we became BHP--. [phone interruption]

Let me turn off this machine. This is impossible.  
[interruption and fax-related conversation while Mr. Wilson shuts off the machine]

All right. Are we on the air?

Swent: Yes.

#### Wilson Pledged to Stay for at Least Five Years; Joins BHP Board

Wilson: Okay. I think I was about to say that when Jim McNeil came to San Francisco while the negotiations were taking place--I guess toward the end--before he would agree to the deal, he told me that he wished assurance from me that I would stay as head of Utah for at least five years. He said that if I didn't agree, then he would cut the deal. I told him I would, then--I think perhaps that was the last day--then they had a handshake, and McNeil came back to my office and asked me to join the board at BHP.

That's when my travels really started. He told me that I would be required to make only half the meetings. That would be six trips to Australia. They met once a month. It started out

that way, but, very quickly, BHP got involved in an attempted takeover by a man named Robert Holmes á Court.

Swent: Ah, yes.

Wilson: And boy, the meetings were fast and furious. I flew to Australia at least once a month.

Swent: You had been going there regularly, though, anyway.

Wilson: Yes, I had, but not with the frequency--trying to run a business in San Francisco and dash to Australia. I could do the whole turn-around in five days. That was tough.

Swent: That's punishing.

Wilson: Being a director of BHP was a very interesting assignment. I learned that the Australians are a lot different from Americans. Their background, I think, probably explains it.

Swent: Can you give some examples?

##

Swent: We were just starting to talk about the BHP board, and you said the Australians were so different. I asked you to give an example illustrating the difference between their approach to things and yours. You had just thought of a good example at the moment that we were interrupted by the fax again.

#### Wilson Takes a Stand Against Accusations by the Press

Wilson: Well, you know, I hesitated because I don't want to be critical. But an example: The BHP directors were very conscious of their position of being the director of the largest corporation in Australia. They were very conscious of their role in the Australian business community and their role in the Australian business community and their role in society.

One of the directors was a chairman of a real estate development firm in Sydney. That firm got in trouble; as I recall, the managing director of the firm misspent money, took money from the company for his own benefit, so there was a great big flap in the newspapers. The newspapers were holding this BHP director--whose name is Alex Ogilvie--holding him responsible. The press was really on the subject.



I received a call in San Francisco from the chairman of BHP, who was Jim Balderstone. Jim said, "Be sure and make the meeting next week, because we have some serious matters to discuss with Alex Ogilvie."

I got there, and the matters that they wanted to discuss were should Ogilvie be asked to resign from the BHP board. Well, by golly, they had a board meeting, they asked Ogilvie to defend himself; he stood up and said his piece: while he was chairman of the company, he had no knowledge of what this fellow was doing and thought it was unjust that he be held responsible.

The chairman excused him from the meeting, and the chairman said, "We shall now vote. An aye vote is to ask Alex to resign. A nay vote is, of course, to the contrary."

I was sitting on Balderstone's left. There were twelve of us at the meeting. Balderstone started on his right, and every person voted "aye" until it got to me, and I voted "no." I stood up, and I said, "I come from an environment in which we believe people innocent until they're proven guilty." I said, "We are about to ruin the reputation and the life of a man on newspaper accusations and innuendo. I think it is terribly wrong." I said, "No, I will not."

So the chairman said, "Right-o. Now we'll take another vote." [laughter]. Everyone voted "no."

Swent: So you turned it around, single-handedly!

Wilson: Can you believe that? I was flabbergasted. But that's--. The regular press has a great impact on the folks involved in the business community over there, and they sure have a lot of it.

Swent: Would that have been handled differently here? Do you think it is a national difference?

Wilson: Oh, it never would have gone to that point. Good heavens--you don't even suggest kicking a man off the board on the basis of media accusations. Ridiculous! [laughter] That's one example.

#### Robert Holmes á Court

Swent: A very good one. You had mentioned Holmes á Court.

Wilson: Well, Robert Holmes á Court attempted to take over BHP. He was unsuccessful in the takeover attempt, but did acquire enough stock to force himself on the board. So he became director of BHP and was really a thorn in the side of the BHP management, because he opposed, as a matter of course, most anything BHP wished to do.  
[tape interruption]

Swent: Who were some of the other people on the board?

Wilson: On the BHP board?

Swent: Yes.

Wilson: I think I'm going to have to refer to a list or directory.

Swent: Okay. Well, that was a good example of a different way of operating. Can you think of any others?

#### Australian Directors' Reluctance to Reveal Holdings

Wilson: Yes, well, another example: It was first suggested that BHP list its American depository receipts [ADRs] on the New York Stock Exchange. The board voted it down, because by the rules of the New York Stock Exchange, each director would have to reveal his holdings in BHP, and they didn't wish to do that. It took them two years, I think, to finally come around to listing the ADRs.

Swent: Played it close to the vest?

Wilson: Well, yes, they were concerned that the unions would find some way to retaliate--a concern that I wouldn't have thought necessary, but it sure bothered them. It comes out fine. Australia is for the most part an egalitarian society. There are only a few--relatively few--who stick their heads up. They just don't like to do that. They just don't want to pay attention to themselves. Australia has more--I was told--more newspaper reporters per capita than any place else in the world.

Swent: Oh, really?

Wilson: Yes. Boy, the press--they have to have something to write about, and they make a great fuss.

Swent: Did they ever pick on you?

Wilson: No. Well, yes. Before BHP acquired us, when we had the strike that I referred to, we were in the press quite a bit. Then, even before that, when the Labour government came into power, it was popular to criticize foreign investment in the natural resource business in Australia. That's when we really took a shellacking in the press. I think I referred to that about Escondida. We learned a lesson--a bitter one--thinking--in Australia when we started and were very successful, we thought that if we were good corporate citizens, kept our heads down, and kept out of the newspapers everything would be all right. That doesn't work when you're a successful foreigner. The Labour government criticized Utah, made threats to nationalize the company, all sorts of stuff.

Swent: Were there ever any things aimed personally at you?

Wilson: Oh, I don't think so. Not that I recall.

Swent: What about Alan Bond? Did you ever have any dealings with him?

Wilson: No. I met Alan Bond once or twice, but I had nothing to do with him.

Swent: He never got into BHP?

#### Staving Off Robert Holmes á Court

Wilson: No. He didn't get into BHP. In order to stave off the Holmes á Court incursion, BHP made a deal with Foster's.

Swent: Was it another mining company?

Wilson: No, this was a brewery. And the man who was chairman of the company--. I think BHP bought something like two hundred billion--. Exchanged. BHP and this company exchanged shares, and then the chairman was brought on the board of BHP. I'll put these names together later. That was a very upsetting time for BHP, an awful time.

Swent: A great time for the press.

Wilson: Yes.

Swent: Was that while you were on the board?

Wilson: Yes. I was on the board. I came on the board just at the time that Holmes á Court was making his first moves. They had a

weekend board meeting at a retreat up in the mountains--in the hills--above Melbourne to consider what, if anything, to do about Holmes á Court. The consensus was that BHP was so large and so important to Australia that they couldn't be bothered by an upstart like Holmes á Court.

I told the directors that it has been the experience in the United States that one just simply could not ignore a threat like that. I told them I thought they should be tougher and more defensive and act against Holmes á Court. They chose not to do so, and then the thing built up.

Holmes á Court was financed by some of the banks in Australia, and he leveraged his position to beat the band and got enough money to buy a significant portion of BHP shares.

Swent: What could they have done to be defensive?

Wilson: Oh, I think they could have moved more quickly. To increase the price of BHP shares would have been a slick way to do it.

Swent: How could they have done that?

Wilson: Well, I don't know. There is a law in Australia against a company purchasing its own shares. They finally got around that by doing a deal with Foster's--that is the name of the company--by doing a deal with Foster's to exchange positions. Foster's bought, say, two hundred million in Australian of BHP shares; and BHP bought, say, two hundred million of Foster's debentures. The chairman of Foster's then went on the BHP board.

Swent: That would have kept Holmes á Court from gaining so much--?

Wilson: Well, yes. If they had done something like that sooner, they might have avoided a lot of--. They let Holmes á Court get up a good head of steam before they took him seriously.

Swent: Is he still around?

Wilson: No. He died. He got in financial difficulty, and he did so much on leverage and borrowed money, that when his world began to crash he had a real problem. But he did manage to salvage an estate in England. He died over there.

Wilson a Go-Between in a Board Power Struggle

Swent: So that was all going on at the same time that they were trying to keep their business going.

Wilson: Yes. It was sure an interruption. There were some other things that went on. The man who represented BHP in the negotiations with Burlingame for the acquisition of Utah was David Adam. David Adam was a director, an executive director, of BHP. He was a lawyer. In the early days of my association with BHP, after the acquisition, he was the guy that I found most helpful in introducing me to BHP. David Adam made a play to unseat Brian Loton. All very strange.

Swent: Loton was on the board?

Wilson: Brian Loton, by that time, was now the chairman of BHP. No-- Balderstone was chairman of BHP; Loton was the CEO. David Adam had aspired to be the CEO, and made a move, thinking that he had support on the BHP board.

I became, at Balderstone's request, the go-between between the chairman, Balderstone; the CEO, Loton; and David Adam. I guess they were sitting in the same--you know, within a stone's throw of each other, but not speaking to each other. I would get a telephone call in San Francisco: "Come on over. We've got a problem, here. You've got to speak to David." I'd troop over to Australia. I'd meet with David; I'd meet with Brian; I'd meet with Jim--just very, very strange. I think all the hands saw me as being no threat. I was not--I did not aspire to be the top figure at BHP. I was nearing retirement age, a threat to nobody. So I spent more time trying to iron out problems between Loton and Adam, really, and Balderstone was trying to hold the lid on the kettle.

Swent: What sorts of problems were they?

Wilson: Well, Adam attempted to get enough backing from the board to oust the then CEO--which is crazy, utterly absurd--but he tried it and he failed. So then the big question: now what do we do with David Adam? That's where I came in. I was the go-between on all that stuff. I hated it, because I liked David Adam, considered him a personal friend. As a result of all this baloney, Adam didn't speak to me for about three years.

Swent: Oh, my.

Wilson: It was awful.

Swent: You were continuing to go to meetings together, though, all this time?

Wilson: Yes.

Swent: He stayed on the board?

Wilson: Well, finally, the result of all this hassle after about six months was that David resigned. It was almost a year before he left, but--. A power struggle, I guess, is the only thing you can call it.

Swent: Who succeeded Balderstone, then?

Wilson: Balderstone retired. Loton became chairman about the time I retired, and John Prescott became the CEO of BHP. It was a lot of fun.

Swent: Do you have any connection with them now that you've resigned?

Wilson: Personal, that's all. There's no connection with them. Loton-- Brian and his wife are going to be over here in September. I received a fax from him the other day. We'll get together--nice people. I made some good friends in Australia.

Swent: The Currys have kept a home there.

Wilson: Yes. They have a place on the beach in Queensland.

Swent: Did this tempt you?

Wilson: No. Australia's too far away. I have a home in Hawaii that I don't get to. It has been over a year since I've been there. If I had one in Australia, I'd never see it.

Swent: Of course, your children weren't there with you.

Wilson: No, they were not.

Swent: It wasn't home to them. What about GE? Was there any remaining connection at all with GE?

Wilson: No. Only personal. Jack Parker and I are very good friends. I liked John Burlingame--saw him from time to time. As a matter of fact, this last year we went on a cruise up the coast of Norway with the Parkers and the Burlingames.

Swent: Really? Well, that's good.



Wilson: Where are we? Now we're rambling about BHP.

Swent: What about the operations continuing? Was there anything significant about the operations after BHP took over?

Wilson: Well, of course, the significant thing was that we brought Escondida into production. The coal operations were all well defined, well managed.

#### Trapper Mine in Colorado ##

Swent: Was Trapper Mine still part of the package that went to BHP?

Wilson: No. I think that the Trapper mine was sold when we were part of GE. We had a contract to supply coal to Public Service of Colorado and I guess one other utility company. When that contract terminated, then it was renegotiated, which we found very difficult to do. We finally decided that to sell the mines to the utility companies was the best way out. Trapper was never a significant--. Well, it was a significant operation, but its profits, towards the end of its life, were getting pretty marginal. We were better off without it.

#### Merger Planning: Talk, Backslapping, and Journeys

Swent: It says here that you and R.J. Hardin, who was the general manager of BHP Minerals, jointly headed a task force to plan the merger of Utah and BHP Minerals operations. I thought you might want to talk about the challenge of mergers and how that goes about.

Wilson: I think you got that out of an annual report.

Swent: Yes, right.

Wilson: It looked good in print, but it just really never worked out. Each side had a vested interest. The Utah folks thought they were the best in the world and ought to run everything, and all the mineral enterprises of BHP. So I thought. And BHP folks thought they were the best in the world and ought to run everything that Utah had. So that merger of the mineral operations just really never got off the ground. It was a lot of talk and backslapping and journeys here and there, but it didn't get very far.

Ok Tedi Mine, New Guinea, "A Can of Worms"

Wilson: One of the reasons it didn't was that I was not happy with--I didn't look forward with anticipation to taking over some of the things that BHP had. The Ok Tedi mine in New Guinea, for example --I guess that was the biggest activity that BHP were involved in.

Man, that was a tough one. It had, not only very significant operating problems--here is a mine way up in the mountains at the headwaters of Fly River, the kind of environment that just virtually stood on end. Geologically speaking, the mountain range was young and very unstable--and lots of rain. In every rain, something would fall down. The Ok Tedi had costs, I guess, almost twice as much as had originally been planned. It had problems with the tailings dam that had collapsed. The tailings were going in the Fly River, creating environmental and political problems. So I saw it as a can of worms. Perhaps I was thinking about myself. I just didn't want to get involved in that mine.

Swent: Well, that was wise.

Wilson: Well, it has been--. It was a good--. It has made good money. It does have its political problems. It has been a tough management situation.

Swent: So you didn't try to merge anything in that operations sense?

Wilson: No. I don't think we did.

Swent: You continued operating the Utah properties.

Wilson: The only thing that we did--we kind of divided up the world between the BHP exploration folks and our own. I think we tried to--. I guess we did bring the mineral exploration activities together.

Oliver Warren, who was our exploration fellow, became responsible, I think, for the hard mineral exploration side of BHP; it ran out of San Francisco.

Swent: For the hard metal?

Wilson: Hard mineral--a mining colloquialism. The petroleum business was run separately. BHP had a very large petroleum business, and they took over what had been the Ladd organization assets.

Swent: What about the shipping? Had BHP shipping--?

- Wilson: We moved the Utah shipping into the BHP ocean transport organization. They had a much larger one than ours, so that was a good fit for them.
- Swent: What are the connections with Japan? What about those?
- Wilson: The Japanese--. They voiced their displeasure at having Utah controlled by Australians. I think they were sensitive to Australian politics, but nothing changed, really.
- Swent: Was BHP selling to the same markets in Japan that you were?
- Wilson: Well, you see, our principle business was coking coal. The iron ore that we were involved in was Mt. Goldsworthy. Now our position in Mt. Goldsworthy folded into BHP iron ore section to the extent that we did business with the same steel mills, but on their side it was iron ore, and on our side it was coking coal. Coking coal was a lot easier to sell than iron ore.
- Swent: Really?
- Wilson: Yes, in those days. [long pause]
- Swent: So that was four busy, busy years.
- Wilson: I saw my job in those four years as trying to put the management structure together in a way that BHP would see it as an asset, knowing that once the Americans disappeared--the head of Utah disappeared--that the Australians would move in, which, in fact, happened. Inevitably, when you're a company that is owned by another, the parent company's folks are going to seize every opportunity to become involved. They still maintain the office in San Francisco, but Australian accents are more prevalent in the elevators than the Americans.

#### Selecting James Curry as Successor

- Swent: That leads to another topic that I thought we might discuss, which was succession and successors--how that's handled.
- Wilson: Yes. How my successor was handled?
- Swent: Well, in general. How the CEO grooms--or an executive grooms--his successor, and how it is done within companies. You mentioned the problem with Adam and Loton in Utah you had. How did you plan for your successor?

Wilson: Well--.

Swent: Your succession to Littlefield had apparently been a very smooth one.

Wilson: It had. It was. Yes.

Swent: But there must have been others who saw that differently.

Wilson: Others who what?

Swent: Maybe there was competition at that time? I don't know.

Wilson: Well, I don't know, either. I don't--you know--I don't think so. It didn't occur to me. The man I relied on, on the operating side of our business was Keith Wallace, and he was the one that I expected to succeed me, but the problem that BHP saw was that Keith would retire in four years after my retirement. That wasn't long enough in their view. Curry was Loton's selection. Jim was well known or well liked in Australia. Jim has a very outgoing personality.

Swent: His background is in finance.

Wilson: Yes. His background is in finance, not in operations. That's where--I had hoped that we could bring some operating people up, but that was not possible.

When BHP decided that my successor had to be nominated and made public, I was in Melbourne and called Curry in. We really had two days of negotiations to get to that place. I think Jim was a little reluctant, at that point, or wanted a commitment from Loton that he would run his own show, and Loton was not good at making commitments. So it was kind of difficult, but finally Jim agreed to take over, and that was it.

Wallace was disappointed. He talked to me about quitting Utah. He was, at that point, just starting to develop Escondida, and I pointed out to him that Escondida was something that, for a mining man, was a once-in-a-generation sort of opportunity--that if he left the company before Escondida was up and running, he would miss out on a lot of good stuff. He finally decided to stay.

Then, when Jim left--.

Swent: What were their titles? Let's get that on the record.

Wilson: What were their titles? Gee, I don't know. By this time--

Swent: You were on the board of BHP, and also the CEO of--.

Wilson: I guess you could call me the chairman of Utah, because we still had a board at Utah.

Swent: This was still Utah development?

Wilson: No. No, Utah International.

Swent: Utah International.

Wilson: The parent company in San Francisco.

Swent: Was that a division of BHP?

Wilson: Yes. I think they called it a division. Keith's title was-- funny, I don't remember. I don't remember whether he was executive VP or whether he was just a senior VP.

Swent: Did they have titles with BHP?

Wilson: When I retired, then BHP imposed new titles. They left us--until my retirement, Utah remained Utah. When I retired, then they changed management structure, titles, and made it more in keeping with BHP.

Swent: It was BHP-Utah?

Wilson: Yes.

Swent: So, was Jim president of the whole thing? Was he president of BHP-Utah?

Wilson: President of--yes, what was Utah. For the life of me, I don't remember what--.

Swent: Did he replace Loton?

Wilson: No. Oh no. Just Utah.

Swent: Just the Utah segment?

Wilson: Yes.

Swent: Okay.

Wilson: Of course, Jim didn't stay on long after that. He left the company before Keith Wallace retired, so he was on for two years, I guess.

Swent: A short time.

Wilson: Yes.

Swent: But Wallace did stay until his--?

Wilson: Wallace stayed on, and Wallace headed up the unit in San Francisco until he retired. There was a great feeling amongst the troops that Jim had let them down. They saw an American in Jim's position in the company as a kind of protection against the Australian incursion. When Jim quit, that opened the gates to the movement from Australia to replace Americans in management. That's what happened.

#### Proper Engineering Removes Risk in the Mining Business

Swent: What about risk-taking? Would you like to talk about that?

Wilson: Yes. I've read a lot about risk-taking in the mining business, but in my view, proper engineering removes the risk, and I didn't see--Escondida, for example: the only risky thing about that was doing business in Chile. It wasn't the ore body, whether or not we could make copper concentrates and sell them. The risky part of the venture was the politics involved.

Swent: Was Allende in there?

Wilson: No, this is after Allende. When we started there, Pinochet was the president. Pinochet was a dictator. There was a lot of political unrest; people--opposition parties--trying to get their heads up, being not backed by the Pinochet government. So it took us a good deal of time before we became confident in our ability to do business down there. One of the things that we decided to do was to afford ourselves some protection from the World Bank. Bringing in the World Bank as an investor in Escondida was a hell of a good insurance policy.

Swent: Had you done anything in Chile before?

Wilson: The construction folks had done a lot of work in Chile, but, no, I hadn't. I think I've said this before: we learned our lesson in Australia about political sensitiveness. All hands did a good job in Chile of putting that thing together.

But risk-taking--. I didn't--. Any of the investments that we identified and entered into, by the time we made the decision



to put our money in it, we pretty well had the risks eliminated. The coal mines--except this political risk that was lurking way back in the wings, waiting for a change of government--we knew the quality and the quantity of the coal; we knew how to mine it and process it; how to deal with the state and the railroad. We had ships. We had customers, entered into contracts to sell the coal before we financed the mines. We pretty well eliminated the risk, or what would you call it? I guess the physical risk. The only risk we made was a political one.

Risk-taking in the mining business is--if a mining executive or a mining engineer does his work properly, it removes the physical risk. You know that. Your husband did that.

Swent: Yes. You've dealt with a variety of political set-ups.

Wilson: Yes, sure did. [laughter]

Swent: Democracies and dictatorships and parliamentary systems of all kinds.

#### Ralph Long Did an Absolutely Fine Job

Wilson: There is a man whom I haven't mentioned--perhaps a little bit in passing--but Ralph Long was our manager for years in Australia and during those difficult political times. He just did an absolutely fine job for us.

Swent: What was his background?

Wilson: Mining was his background in the early days. He worked in the anthracite coal mines in West Virginia. He joined Utah out at the Ozark Philpott mine in Arkansas, then ran Cedar City--Cedar City Iron Ore operations--and then came to San Francisco.

Swent: So he had been with Utah a long time.

Wilson: Oh yes. Well, within a year or two, say, of my tenure with Utah; he must have come to work in 1955 or '56.

Swent: Where is he now?

Wilson: His home is in Hillsborough. His wife passed away some time ago. He remarried, and his present wife has a home in Texas--west Texas some place. So they spend half the time Hillsborough and half the time in Texas when they're not out traveling.

- Swent: Sounds nice. You have kept in touch with a lot of people.
- Wilson: Well, I think that there are fine people, and we are friends. Charles McArthur was one I think I mentioned early on who was most helpful in developing the beneficiation of the coal properties in Queensland. He worked out the flow sheet; another fine man.
- Swent: Where is he now?
- Wilson: His home is--I guess it is Hillsborough, too.
- Swent: A lot of them have stayed around near here.
- Wilson: Yes. But you know, it was a privilege for me. I was very fortunate in having such a--

Men Like Wallace, Long, McArthur Made Life Easier ##

- Swent: You were just saying you were fortunate--.
- Wilson: Oh, yes, to have a group of men--to work with a group of men like that: Wallace, Long, McArthur. It made my life easier.
- Swent: Yes, but it is partly your doing that you were able to assemble a group and keep them together, too. It doesn't just happen. You must have had something to do with that.
- Wilson: Well, I hope I did.
- Swent: Although, I guess you didn't have anything to do with the selection of all of them. Wallace you selected, didn't you?
- Wilson: Well, no, actually, Tony Mecia hired Keith [Wallace]. Actually, Tony hired Charles McArthur. Charles had run the Atomic Energy Commission pilot plant at Grand Junction. When we first got in the uranium business, I was sent to Grand Junction to learn something about uranium metallurgy, and Charlie was the head of the unit there. So we needed a metallurgist, and I suggested to Tony that we hire Charlie.

Ralph Long was hired by Tony Mecia.

- Swent: So he assembled a good team.
- Wilson: Yes. He did. He sure did.

Swent: What would you have done differently?

Wilson: I don't think I would have done anything differently. I think things worked pretty well.

"I Looked Forward to Every Day Heading Down 280 to Go to Work"

Swent: That's a great way to feel.

Wilson: Yes. You know, I used to think about myself. I would consider what other people said about, gee, their damn job and their damn boss and they hated this and they hated that. With the exception of the personality problems I had with GE from time to time, boy, I looked forward to every day. I would get up in the morning, I would be happy that I was heading down 280 to go to work. That was great fun.

Swent: A very fortunate man. It is wonderful to feel that way about your work.

Wilson: Really, the great personal reward that I got out of it was not just the work I did, it was identifying an investment opportunity, executing and creating wealth for people--shareholders and workers and the people at Utah. That was what it was all about. And it was at a time when that was pretty easy, I used to think. The world was being rebuilt after World War II, and the demand for basic steelmaking raw materials was insatiable. If you had good coking coal, you didn't have any problem selling it. Iron ore, copper--.

Swent: Do you think it was more true then than it is now?

Wilson: Well, I think it has shifted, to some extent. Copper prices seem to move in a cycle of shorter duration, now, than they did in those days. Steelmaking capacity around the world is not expanding. That makes it more difficult for iron ore and coking coal producers. And, of course, I'm obsolete now. I've been out of the business for ten years.

Swent: Is it that long?

Wilson: Yes, '87.

Swent: That's right. Have you stayed on any of the boards?

Wilson: I went off all the boards except the Clarkson Company.

Swent: You're still on that?

Wilson: Yes. The Clarkson Company is a family-owned company, owned by a man--one of my closest friends--a man for whom I started work in Idaho right after I got out of school. It is a joy to be involved with them.

Swent: He's an equipment manufacturer?

Wilson: Yes, slurry valves are their other business. They're very good at it. And with Smith-Kettlewell [board], and that's all the outside activity I want.

#### Marconaflo Shipping and Slurry

Swent: Speaking of slurry, we never did really say much about the slurry shipping.

Wilson: Oh, the Marcona? Marconaflo, they called it.

Swent: We didn't really mention that at all. Did you have anything to say about that?

Wilson: I had no direct involvement in that. That was a Marcona idea that--. Essentially what they did was just to pump iron ore slurry into the hold of vessels, drain the water out, and then move it to Japan, or reconstitute the slurry by using monitors--big water jets--in the hold of the ship.

It was highly touted in those days by Robinson and company as being a breakthrough in the raw material handling business. I felt it had a limited application and didn't deserve all the publicity it was given. I don't know of anyone other than Marcona who did that. It probably was because most of the pelletizing plants were built closer to the source of the iron ore.

We did that in the Samarco. We built the pelletizing plant on the coast of Brazil, slurried the iron ore down two hundred miles or something like that, down the coast, and pelletized the iron ore there.

Swent: Slurrying the coal was not a new idea, then, was it?

Wilson: Coal was never shipped as a slurry. Coal was moved by pipeline here in the United States.

Swent: At Navajo didn't you have a slurry?

Wilson: No. At Navajo, that was all railroad transportation, but Peabody had an operation on Black Mesa. They were the first to put in a coal slurry pipeline. I don't think coal was ever moved by ocean transport as a slurry.

Swent: What happened to the ships, then? Are all those ships still out there on the ocean with the Utah group?

Wilson: Well, they're probably scrapped by now. I just really don't know, but I would guess that the life of a bulk carrier is fifteen years, I suppose. So as transportation costs increase, the investment is made in port to increase its capacity; investment is made in vessels, to increase their capacity, lower the unit cost; and investments made in the receiving ports. So bulk carriers will be getting larger and larger.

Swent: So the basic is still making raw materials: iron and coal. Still fundamental?

Wilson: Yes.

Swent: And copper. That's a great combination of things that people need. Have you been to Escondida very much?

Wilson: Well, I went up often when we were in a development stage. Since I retired, I've been back twice. No, I've visited Escondida only once, but I've been to Santiago on two occasions.

Swent: It is a lovely place to go for a holiday.

Wilson: Yes, it is.

Swent: Have you fished down there?

Wilson: Yes. Bev and I and Keith Wallace and his wife, Alice, fished there a year ago last January--went down to Callaque and chartered a plane from there into a place in Patagonia--the Swan River. We had a great week's fishing. It was fun.

Swent: Did you get out to the Towers of Paine at all?

Wilson: Get out to where?

Swent: The Towers of Paine?

Wilson: No, we didn't. Now we're rambling again.

Swent: Well, that's all right. We're about ready to wind up. What's your next step? You're going grouse shooting and then--?

Wilson: Going grouse shooting in August--going to leave here on the seventh.

Swent: That's next week.

Wilson: Yes. Next Thursday--a week from today.

Swent: Have a fishing trip ahead?

Wilson: Yes. When we get home, the Wallaces and the Wilsons are going to Montana to go trout fishing.

Swent: That will be fun.

Wilson: Yes.

#### Visiting Hong Kong for the Transfer of Government to China

Swent: Do you want to say anything about your Hong Kong trip? That was pretty exciting. You just got back.

Wilson: Well, that was interesting, yes. We were in Hong Kong when the mainland Chinese government took over from the British. We went to Hong Kong and stayed in the Peninsula Hotel for two days, then moved over the island to the Furama Hotel, where we met the Stanford group. One of the Stanford professors of Asian Studies was with a group, and he lectured every morning.

Swent: What was his name?

Wilson: Leland Van Slack--a heck of an interesting guy. He organized folks to come in and talk to us: Martin Lee, who was the leader of the Democratic Party in Hong Kong, whose party had been ousted from the legislature at the behest of the Chinese government; and the newspaper reporters, editors of Time and Newsweek; a number of people. It was always a good question what is going to happen under mainland Chinese rule. The man who was the chief executive of Hong Kong--took the governor's place--his name--?

Swent: Patten?

Wilson: The governor was Patten. Patten left, then C.H. Tung--that's the guy who was called the Chief Executive of Hong Kong.



C.H. Tung is the son of C.Y. Tung: the man who built a very large shipping business and from whom we chartered ships back in the old days at Utah. I saw C.Y. Tung, this man's father, quite often and visited him in Hong Kong and would see him in Tokyo and here in San Francisco.

I was really surprised when I learned that his son was designated as the chief executive of Hong Kong. I was thinking that, gee, he's going to be a puppet of the Chinese government. What I learned from listening to these various folks on this trip was that he was one of three candidates who were--I'm hesitating a little bit--one of the three candidates for the post who had been proposed by the local Chinese business community. This was the editor of Newsweek who was talking about this. He said that one of those was a judge who, he said, was a modern-day medical miracle: a man with no backbone at all. [laughter] The other was a Chinese businessman who had very close connections with the mainland Chinese government and was known to be very anti-democratic, pro-communist. So the point of that was that if the Chinese government wished to appoint a puppet, they would have appointed either the man who was a spineless fellow or the guy who saw eye-to-eye with their political beliefs. The argument was that C.H. Tung is not a puppet; he's there to try to do his best to preserve the Hong Kong political, societal entity. I learned, also, that-- [continual knocking noise in background]

Swent: What's going on?

Wilson: Ah, it is a woodpecker out here.

Swent: Oh! [laughter] [tape interruption] Anyway, what else did you--?

Wilson: What else did I learn? [phone begins ringing] I don't know what I learned. What was I saying?

Swent: Well, you were saying that they picked this man--.

Wilson: Oh. I learned also that not everyone in Hong Kong is an ardent democrat. I mean, family and community are more important to many than are individual freedoms. So when we look at Hong Kong, we have to think of it in the terms of--. Their thirsts for individual freedoms are not as pronounced as our own, and they come from a different culture, of course. So, we'll see what happens to Hong Kong.

Swent: It must have been a very exciting time to be there.

Wilson: Yes, it was--lots of fireworks. I think that Hong Kong is so important to mainland China for its foreign exchange that they

will lean over backwards to keep Hong Kong involved in the business community.

Swent: Well, I think we're about ready to wrap it up, Bud. Is there any other thing that you want to say? Any questions that I haven't asked you that I should have?

Wilson: No, I don't think so. We have covered the ground pretty well.

Swent: There may be other things that you wanted to say that I haven't given you a chance to.

[This last section was added during the editing process]

Wilson: I was fortunate to be involved in the mining business during the years when the world was rebuilding after the destruction of World War II. As I've said before--I was in the right place at the right time--and was fortunate enough to associate with top flight people.

Swent: Thank you very much for letting us do these interviews--it's a wonderful story.



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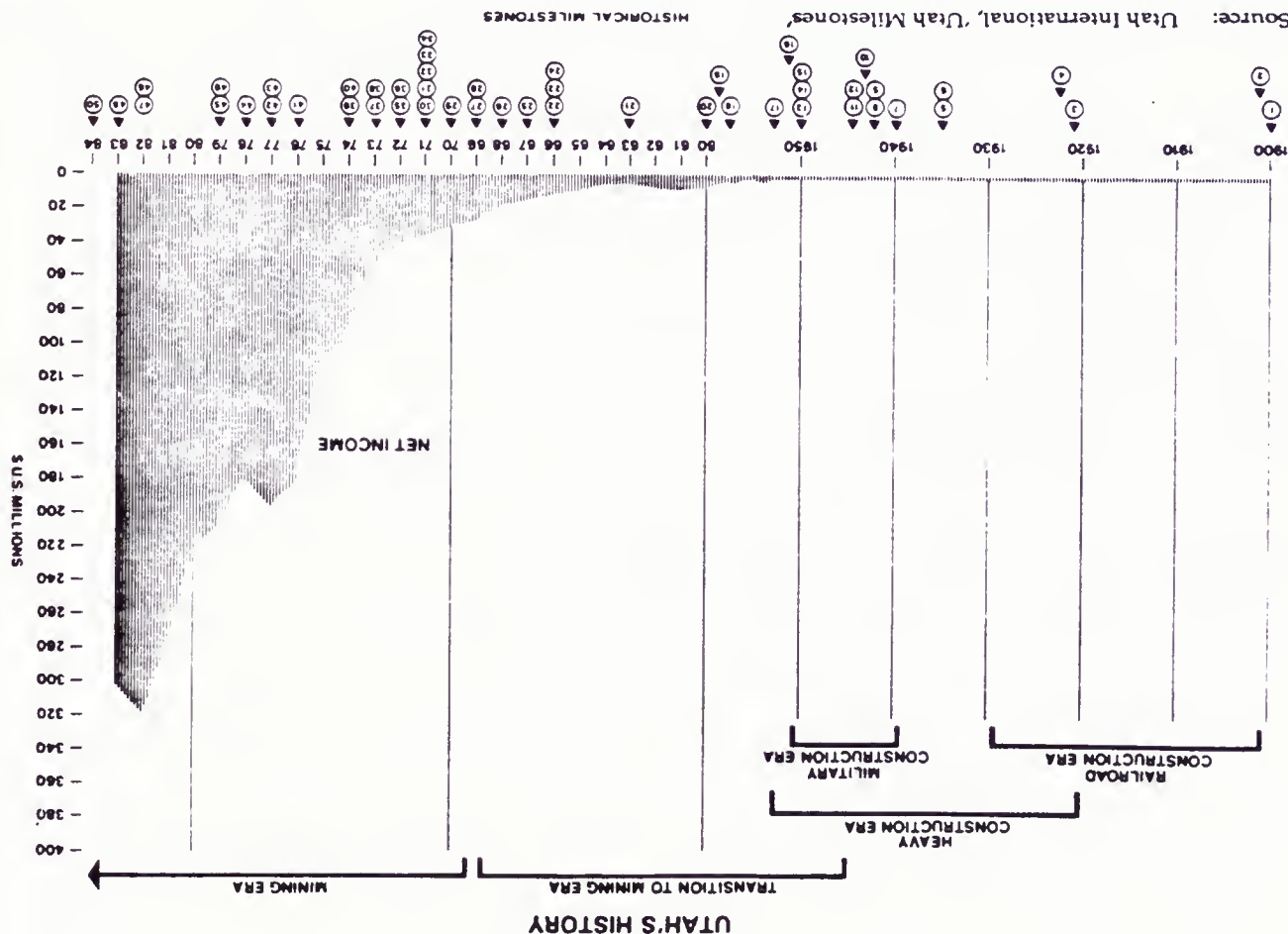
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# UTAH'S HISTORY

## APPENDIX A





from Utah International 1976 Report

Utah International Inc. became a wholly owned subsidiary of General Electric Company on December 20, 1976. This report states Utah's operating and financial results for the twelve months ended October 31, 1976, its last complete fiscal year prior to the merger.

## Management Comment

Utah International's history is distinguished by several major corporate decisions which have affected the very nature of the company's structure and assured the continued financial well-being of its stockholders. In our view, this heritage was manifested dramatically during 1976 when, together with General Electric, Utah was party to the largest corporate merger in the history of the United States. Utah now has achieved 12 consecutive years of record earnings and the company will continue to seek and develop new natural resource opportunities, operating as a subsidiary of General Electric but with its own board of directors and management structure.

### 1976 Earnings Increase

For the 1976 fiscal year ended October 31, Utah reported earnings of \$178,821,000 or \$5.67 per share. This figure represents an increase of 32% over the \$135,390,000 or \$4.29 per share earned in 1975 before recording a \$23,809,000 extraordinary loss incurred as a result of Peru's expropriation of the assets of a Utah affiliate. Earnings in 1975, including the extraordinary loss, were \$111,581,000 or \$3.54 per share.

### Dividends

During 1976, Utah increased its dividend for the 26th consecutive year. Cash dividends paid amounted to \$1.15 per share, an increase of 15% over the \$1.00 paid in 1975. Based upon the exchange of 1.3 shares of General Electric for 1 share of Utah and upon General Electric's current annual dividend rate of \$1.80 per share, former Utah International stockholders will receive \$2.34 in dividends for each share of Utah exchanged. This represents an increase of 103% over the amount received by Utah stockholders during 1976.

### Coking Coal Leads Profit Gains

Continuing its successes of recent years, coking coal made the greatest contribution to Utah's profit gain in 1976. The per metric ton average price for coking coal was higher than in 1975 and shipments were up 17%. The higher shipments and improved profits are particularly noteworthy because, concurrently, activity in the steel mills of the world was slack and coking coal inventories at the mills were heavy.

Significantly higher earnings also were recorded from uranium activities. An average price per pound which was more than 100% higher than that realized in 1975, together with increased shipments, enabled uranium to make the second largest contribution to profits.

Steam coal, oil and gas, and land development activities showed improvement, while contributions from copper and iron ore declined, although changes for these profit centers were less significant.

Marcona Corporation, 46%-owned by Utah, operated at a loss. As a result of the generally weak shipping market, Marcona was unable to effect profitable deployment of its fleet, much of which was idled in 1975 by the loss of shipments from its expropriated Peruvian iron ore mine.

### Proud of Accomplishments

Following Utah's last complete year as an independent publicly held company, we have devoted "The First 76 Years" and Financial Comment sections, located later in this report, to a brief historical review. Here we take the opportunity to add our own expression of pride in the company's accomplishments.

While Utah prospered from the outset, its dramatic financial growth during the last 20 years can be matched by very few companies. Earnings have grown at the compounded annual rate of 19% for the last 20 years, 23% for the last 15 years, 28% for the last 10 years, and 37% for the last 5 years.

Foresight, courage and good fortune were the keys to this success. In looking back, it is clear that Utah's record was greatly influenced by decisions to diversify into the mining business and later to cease its construction activities. That latter event, by which Utah disposed of its traditional business in 1969, came at a time when 60% of gross revenues and 69% of total employment were accounted for by the company's construction affairs.

Fundamental to Utah's increasing interest in mining was the company's early recognition that the established steel centers were becoming increasingly dependent upon faraway sources of raw materials. Coupled with that view was Utah's realization that the United States needed to develop additional sources of energy. Based upon those beliefs, investment opportunities were perceived in iron ore, coking coal, steam coal, and uranium.

Utah, a company on the rise, required and attracted mining personnel who were imaginative, skilled at converting concepts into profitable operations, and dedicated to expansion of the company's investments. Always working within a framework of sound financial standards, Utah demonstrated its ability to make timely, sound and farsighted decisions.

Having precious little capital with which to work in its early growth stages, management was challenged to finance its expansion at the rapid pace it envisioned. To strengthen the company's credit, Utah adopted the strategy of making forward



Edmund W. Littlefield



sales of new production. This approach became an important aspect of Utah's character, and one that still distinguishes it from most mining companies. It was the existence of this mineral sales backlog, most of which was represented by contracts offering substantial protection against future cost increases, that also attracted early investor interest in the shares of Utah International. The company had made a virtue out of a necessity.

This backlog of future delivery commitments had grown to \$6.12 billion by the end of 1976. Of this amount, nearly 70% was attributable to Australian coking coal which has dominated the financial performance of Utah in recent years. Concern for this growing concentration of earnings in a single commodity produced in a single country, no matter how solid either or both now appear, led the company to seek a means of providing greater diversification in the interest of employees and stockholders alike.

#### **Diversification Achieved**

Utah, by merging with one of the largest and most diversified industrial corporations in the world, has now provided such diversification in a way that will allow the company to take advantage of additional opportunities in areas where the company is already heavily concentrated. General Electric was well known to us and represents the qualities of character that we at Utah have prized. We are proud to join our destinies with theirs.

With the merger former Utah stockholders have, we believe, exchanged the prospects of a faster rate of earnings growth, with its attendant risks, for greater diversification, higher yield, and a premium on their shares. At the same time, General Electric stockholders acquired assets with demonstrated earning power and, in our biased view, the best mining organization in the world. It is the biggest corporate merger ever undertaken and we are confident that history will prove it to have been the best.

#### **Utah Organization**

The business conducted by Utah prior to the merger is being continued by Utah as a wholly owned subsidiary of General Electric, except that the common stock of Lucky Mc Uranium Corporation, a wholly owned subsidiary of Utah, has been placed in a voting trust. Utah International's headquarters will continue to be located in San Francisco.

Utah's Board of Directors has been expanded to include Reginald H. Jones, Chairman of the Board and Chief Executive Officer of General Electric; Jack S. Parker, Vice Chairman of General Electric; Alva O. Way, Vice President-Finance of

General Electric, and James T. Curry, Utah's Financial Vice President and Treasurer.

It is with thanks that we recognize the efforts of the company's very talented employees who contribute so much to Utah's successes cited throughout this report. We also wish to acknowledge with gratitude the consistent support of management displayed by our former stockholders, and the significant contributions made over the years by our Board of Directors, who will continue to serve as Utah directors under the merged organization. We have reason to be confident about the future.

Respectfully submitted,

*E. H. Whitefield*  
Chairman of the Board

*A. M. Wilson*  
President



Alexander M. Wilson



From the turn of the century when its predecessor company was incorporated with six shareholders and \$24,000 in capital, Utah International's expansion has been based upon the company's ability to identify and respond to needs created first by the rapid growth of the western United States and, more recently, by the increasing demands of world minerals markets.

The roots of the Utah organization, which later branched out into every kind of earth-moving and construction job, grew from railroad construction. In 1906, The Utah Construction Company completed the Western Pacific Railroad from Salt Lake City to Oroville, California, via the famous 75-mile Feather River Gorge. The same rugged natural features that make the Feather River route a popular scenic journey posed complex engineering and construction problems to railroad builders. Working wherever possible with steam-powered shovels, and frequently with light hand tools and two-wheeled, mule-drawn dump wagons, Utah accomplished the construction of more than 40 tunnels, numerous bridges and trestles, and massive cutting and filling operations through earth and rock. The company's impressive performance throughout the project—including fine grading, track laying and ballasting—led to a long series of other railroad contracts, both domestic and foreign.

Increased railroad facilities in the western U.S. encouraged agricultural development which, in turn, created shortages of water for irrigation and the need for flood control projects. Subsequent government contracting for reclamation and water supply ventures dominated western U.S. construction activity for years.

Utah's first major dam project was the construction of O'Shaughnessy Dam on California's Tuolumne River. Acting as sole contractor on the \$16 million venture, the company completed the dam in 1924. Thereafter, Utah participated, independently or through joint ventures, in numerous dam construction projects including Hoover (1936), the world's highest concrete arch-gravity dam; Bonneville (1940), the first dam across the Columbia River; Grand Coulee (1942), the largest concrete structure ever built, and Big Eildon (1955), then the largest earth and



*Steam-powered shovels, considered mechanical marvels in the early 1900's, were the forerunners of today's great earth-moving machines.*



*Sheer mountains of rock, often rising hundreds of feet above the stream bed of the Feather River Gorge, had to be blasted and graded before the 75 miles of Western Pacific track were laid through the canyon.*





At 8:15 a.m. on November 20, 1928, the first passenger train crossed the eastern portion of Arizona's San Carlos River on track laid by The Utah Construction Company.

A large crowd gathered near Klamath Falls for ceremonies marking the completion of the Oregon Shortline Railroad.





rock fill dam in Australia and the Southern Hemisphere.

Hoover Dam, a joint venture completed a year ahead of schedule, has been called the most monumental dam-building effort in America's history. The project's total partnership profits were \$10,400,000—a significant figure in those days, yet an amount which is substantially less than Utah International's average monthly earnings during 1976. The magnitude of the endeavor posed an awesome challenge to the resources and skills of the Six Companies, Inc., of which Utah Construction Company was a founder and major participant, and tested their ability to adapt their experience to a wide range of requirements.

Shortly before and immediately following World War II, Utah Construction Company further diversified and applied the broad experience gained through the building of railroads, dams, bridges, tunnels, aqueducts and power plants to the growing demands for heavy industrial facilities, military installations, waterfront facilities and private housing. It was during this period that Utah's construction projects in Australia, Canada, Mexico, Peru, Colombia, Indonesia, Guam, Korea and the Philippines introduced Utah to locations and experiences outside the U.S., establishing the foundation of the international activity in which Utah participates today.

It was also during the postwar period that Utah utilized its earth-moving skills to enter the mining field with contract surface coal mining operations in western Pennsylvania and an owned iron ore mine near Cedar City, Utah.

In 1953, Utah made its boldest move into mining to that date when it established in Peru what was to become a major open-pit iron ore mine serving the steel industries in the United States, Europe and Japan. In the years prior to its 1975 expropriation by the Peruvian government, the Marcona mine had produced a total of approximately 137 million tons of beneficiated iron ore, including approximately 39 million tons of iron ore pellets. The venture displayed Utah's ability to recognize and make the most of opportunities. Although the existence of an iron ore deposit in the desolate coastal region 250 miles south of Lima was well known, Utah was the first private development







*An aerial view of Hoover Dam shows the magnitude of an operation which required 5,000 workers and over \$54.8 million in capital costs. More than 50 tunnels and shafts were required in the preliminary work and actual construction of the dam, which was built on a portion of the Colorado River that intersects Arizona and Nevada.*



company to display an active interest. Utah, together with Cyprus Mines Corporation, formed Marcona Mining Company to finance the venture, while at the same time seeking sales contracts for the future production of the mining operation. This step-by-step approach to mining developments—obtaining a prior commitment for a market outlet to improve the financing capability—became a characteristic Utah pattern.

In 1956, Utah, through a 25% interest, joined Cyprus Mines Corporation and Union Oil Company of California in the development of Cyprus Pima Mining Company, a copper mine and milling operation near Tucson, Arizona. Pima's ore processing facility was engineered and constructed by Utah.

In the following year, Utah negotiated a long-term lease with the Navajo Tribe for steam coal mining in New Mexico. In 1963, what is now one of the largest coal mines in the United States was established to fuel the Four Corners Power Plant, which is adjacent to the mine site. This facility is an important source of electricity for the southwestern United States.

Another early step in Utah's growing commitment to mining was Utah's participation with the Wyoming uranium prospectors who formed the original Lucky Mc Uranium Corporation. The venture, which began in 1957 and gave the company a strategic position in the nuclear industry, offered further testimony to Utah's foresight. When Lucky Mc merged with Utah in 1960, the company acquired the balance of this highly successful uranium mining and milling operation. Shirley Basin, a second uranium reserve in Wyoming, was acquired in the late 1950's. The development of that operation has doubled Utah's production capabilities.

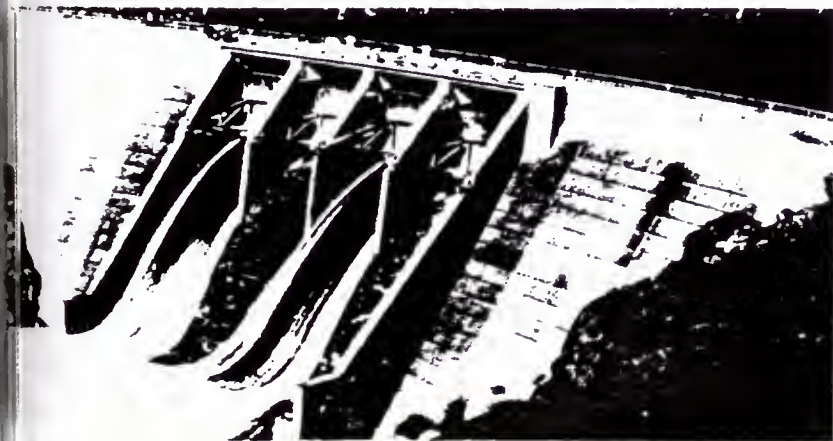
An early appreciation of the potential of the Japanese market for iron ore and coking coal led to Utah's participation in the one-third owned Mount Goldsworthy iron ore venture and to the development of metallurgical coal mines in the Bowen Basin of Central Queensland. Coking coal was known to exist in that area and, indeed, 100,000 tons had been extracted from small independent mines prior to 1935; yet no significant exploration activities preceded Utah's efforts in the early 1960's, when the



*Left above: Siphons constructed in the late 1940's connect canals to the world's largest irrigation system in the Columbia River Basin.*

*Right: Fulfilling a contract with Australia's Snowy Mountains Hydroelectric Authority, Utah completed the curved concrete Island Bend Dam in 1965.*





Center and above: The Blumiphol concrete dam, tunnels and hydro-electric plant, built in Thailand, were completed in 1963.



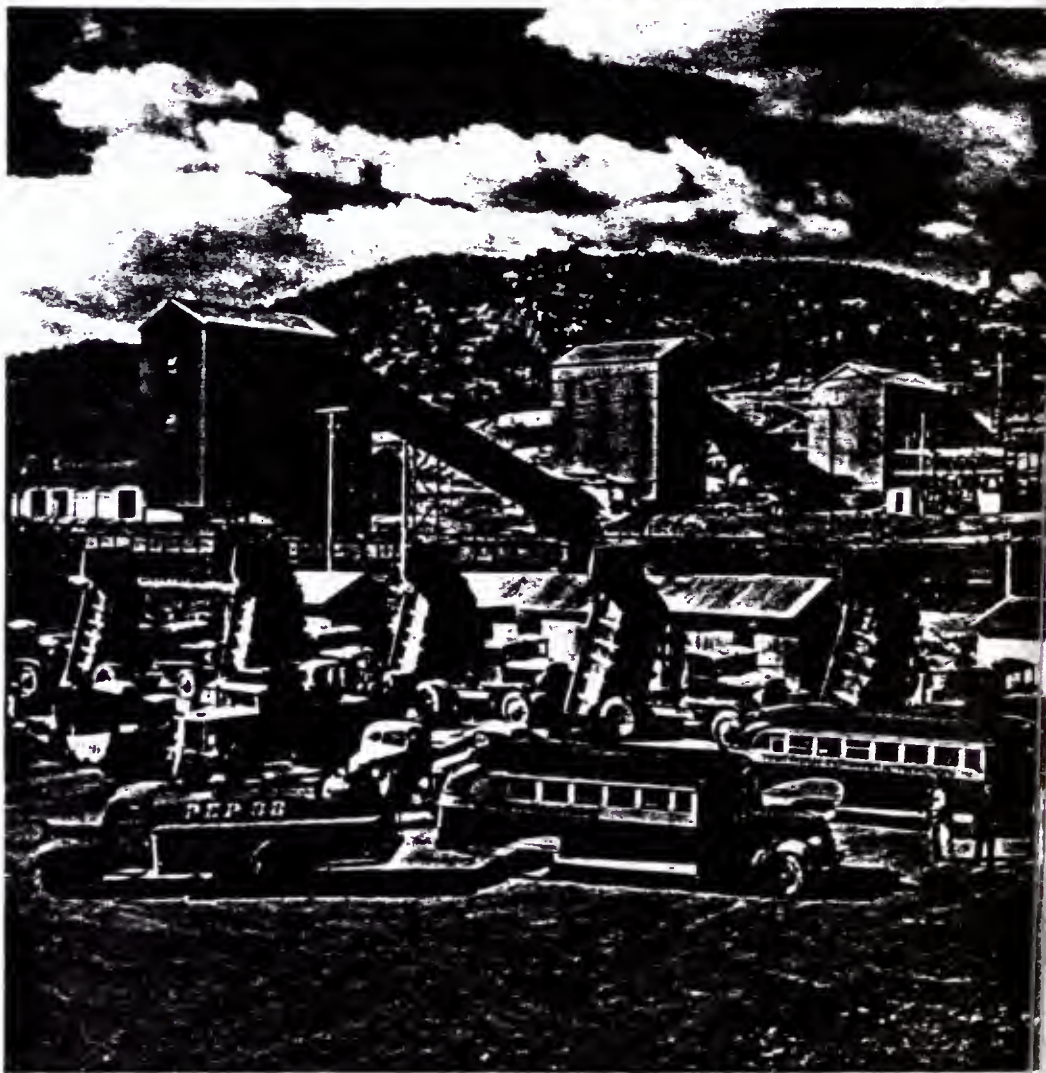
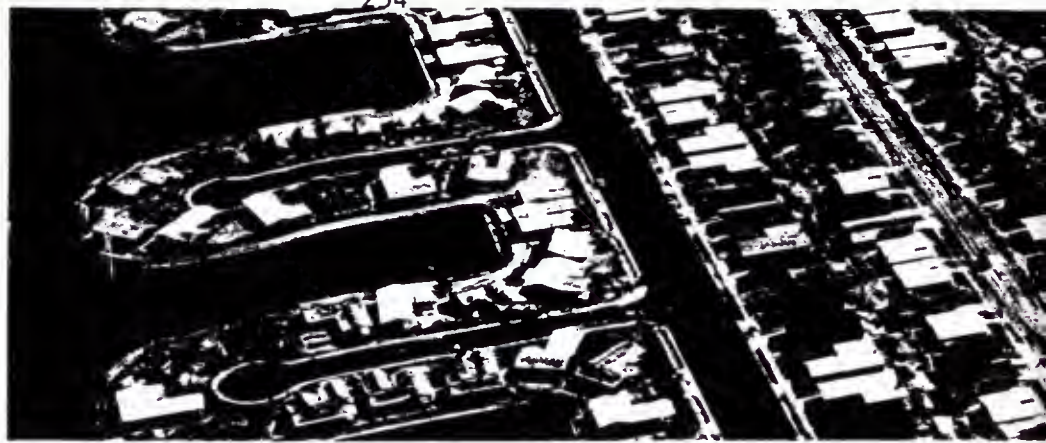
company drilled over 15,000 test holes and conducted extensive feasibility studies. Ultimately, however, Utah's commitment to extensive development of the proven reserves was dependent upon the establishment of long-term sales contracts. Utah's first major step toward its present position as a very prominent factor within Australian mining came in 1965, when the first of these contracts was negotiated in one of the largest metallurgical coal commitments ever made to Japanese interests.

Utah's interests in copper were extended in 1969 when the decision was made for the development of the Island Copper mine and concentrator located on Vancouver Island, British Columbia.

Taking action as a result of management's assessment of long-term prospects, in 1969 Utah sold substantially all of its heavy construction assets. In the face of progressive inflation and the increasing risks in the construction business, Utah's leadership had concluded that the long-term industry outlook was much brighter for mining, which is capital intensive, than it was for the more labor intensive construction industry. Accordingly, the company began to concentrate its capabilities on the identification and acquisition of additional mineral reserves, the expansion of its mineral sales backlog, and the development of new mining and support facilities.

Recognizing the favorable outlook for suppliers of energy-related materials, Utah extended its resource extraction interests into oil and gas through the fiscal 1974 acquisition of Ladd Petroleum Corporation. Since then additional petroleum assets have been acquired.

Today, Utah International, with worldwide activities, superficially seems far removed from The Utah Construction Company in its early days. The hand tools, mule-drawn wagons and coal-powered locomotives have been replaced by massive draglines, fleets of haul trucks and huge ocean vessels. But perpetuated from the past are the company's continuing efforts to identify worldwide economic needs—currently in terms of mineral deposits—and to mobilize capital and technical, marketing and management skills to fulfill those requirements. Utah's heritage continues to be a source of strength.



*After World War II, Utah began diversification into mining and development projects. The Meda South Shore development in California and the Cedar City ore operation in Utah are early examples of this diversification program.*



## Utah Report is back on the press!

Utah International's companywide publication is back in circulation! It's been over a year, but Utah Report is once again on a bimonthly schedule.

The objective of this publication is to provide Utah employees with

information about developments and activities around the company. We're also anxious to talk more about the people who are Utah International. Ideas for articles and special reports are always welcome.

## Utah reorganizes to prepare for growth into the 1990s

**U**tah International Chairman A. M. "Bud" Wilson has announced a major restructuring of the company's mining operations organization, the planned relocation of Utah Development Company's headquarters office from Sydney to Brisbane, Australia, and the formation of a Corporate Components organization.

In a memo directed to all employees in late February, Utah's chief executive explained that the changes are designed to provide a corporate structure that will accommodate the company's planned growth. Profit-and-loss accountability will eventually be decentralized across the company, and changes in responsibilities are expected to give broader management experience to senior executive officers.

The restructuring also is intended to provide a more flexible framework within which Utah can remain responsive to market conditions and the needs of the company as a whole into the 1990s. The changes are:

- Formation of the Western Hemisphere Mining Group, headed by Senior Vice President Charles K. McArthur, former manager of the Mining Division. As a first step, two mining divisions are being created: the Western U.S. Mining Division, headed by Vice President John T. Atkins, former manager, Western Coal Operations; and the Eastern U.S. Mining Division, headed by Vice President James H. Justice, who also heads Sierra Coal Company, a Utah subsidiary. These units will evolve into fully



**Charles K. McArthur**

integrated, multi-mineral, multi-customer profit centers. Vice President M. H. Kennedy has been named financial executive of the newly formed Western Hemisphere Mining Group.

- Formation of the Eastern Hemisphere Mining Group, headed by Senior Vice President Ralph J. Long, former manager, Mineral Exploration and Development Division, who is locating in Sydney, Australia.

- Relocation of Utah Develop-

**Ralph J. Long**



**James T. Curry**



**Keith G. Wallace**





M. H. Kennedy



John T. Atkins



James H. Justice

ment Company's office from Sydney, N.S.W., to Brisbane, Queensland, Australia, under the direction of former Financial Vice President James T. Curry, who becomes UDC's new president and managing director. (At presstime, a new financial vice president had not yet been named.)

- Formation of a Corporate Components organization, headed by Senior Vice President Keith G. Wallace, former president and managing director of Utah Development Com-

pany. His responsibilities include the development and implementation of a management system that will promote greater decentralization of profit-and-loss accountability across the company, with specific responsibility for Strategic Planning, Corporate Development, Mineral Exploration and Corporate Services.

- Formation of a Corporate Services area within the Corporate

Components organization, which is being headed by Vice President Timothy R. Winterer, former executive vice president and general manager of Utah Development Company. Tim's responsibilities include Marine Transportation, Technical Services, Marketing Services, Environmental Quality, Purchasing, Personnel Relations, External Relations and Air Transportation. **U**

Timothy R. Winterer



## Wilson says reorganization is a plan for Utah's people

*Editor's Note: While the recently announced reorganization plan is a straightforward realignment of operations and staff functions, the new company structure will also affect many people and job responsibilities not specifically mentioned in the official announcement. As the major changes now underway in turn make way for functional realignments across the company, the commitment of Utah's people to make the new organization an effective one will be the key element in future growth—of Utah itself as well as its people.*

A. M. "Bud" Wilson feels confi-

dent that the changes he will be directing over the coming months purport good things for Utah International, and he's looking to all employees to work together to assure success. In the interview that follows, the chairman shares his outlook about Utah's immediate future in terms of our new reorganization plan.

**Why did you first start thinking about a reorganization plan for Utah International?**

The idea for the reorganization was prompted by a series of discussions starting in early 1980 at the Senior





A. M. Wilson

Council, which is made up of the senior officers of Utah. It had become increasingly clear that our inability to devise a satisfactory manpower development process was related to the limitations imposed by the way we were organized. We felt we needed to come up with a better program for selecting and developing management potential in our people and for giving greater responsibility to employees at various salary levels.

**What steps did you take to bring about the reorganization? What was General Electric's role in the process?**

The first thing I did was to go to my files and review some of the work a management consultant had done for us in the early '70s, and the exercise reminded me that I hadn't been pleased with the work, and that it was important for me to employ the best professional organization planner I could find to help us achieve our manpower-development goals.

General Electric was helpful in two important ways. When I decided to go ahead with the reorganization study, I asked John Burlingame, GE vice chairman and Utah director, if he could recommend an organization planner. He named several individuals with various firms, but he said he thought the best in the country was on the General Electric staff. That's how

we began working with Don Kane, manager of GE's Corporate Organization Planning Operation. GE's second major contribution was John Burlingame's strong recommendation that our program incorporate opportunities for senior executives to experience diverse management responsibilities. While new to Utah, that has been part of the successful GE management culture, and the executive moves we have announced are consistent with that concept.

**Is the new organization an evolution from the last reorganization—in which the Mineral Exploration and Development Division was set up—or a new direction for Utah?**

Management must be fluid, and any organization plan should be an evolution from previous plans. This reorganization is definitely that. It's not a new direction—in fact, we're finally getting at some things we've been trying to do for a long time. The 1979 organization change underscored the importance of the company's mineral exploration and development activities by raising those activities to division-level status. The emphasis on those activities is still foremost in the success of our business, but now we're creating a somewhat different responsibility structure to assure that this and other essential parts of our operations will continue to be handled well as our business becomes increasingly complex.

**Utah's new organization appears to be more decentralized, with more autonomy at operating levels. If that is true, how will this new organizational framework enhance the company's overall ability to produce, to serve customer needs, and to build on our competitive presence in the industry?**

The reorganization partially decentralizes the company but still maintains strong financial control at the corporate level. It will make development of our people more effective than before because managers at the operating level will have more responsibility, which will give them a better chance to grow and gain expertise.

We're anxious to create a more vigorous entrepreneurial spirit throughout the company, and therefore a more responsive process in terms of our ability to continue to produce our products and serve our customers. In

1981, when you consider earnings from operations only, Utah was the top-earning mining company in the U.S.—and one of the most profitable hard-mineral producers in the world—and we believe this new organizational framework will assist us in maintaining or enlarging that lead. One of the most satisfying things to me has been the opportunity to implement this reorganization from a position of strength rather than weakness, which is too often the case in corporate reorganizations.

**What can you tell us about the new Corporate Components organization? How will it function relative to other company units?**

As head of the Corporate Components organization, Keith Wallace has one of the most challenging assignments in the new organization—to flesh out the organization plan and see to its successful implementation. The plan itself represents a dramatic change for Utah. Frankly, I realize that the new realignments create lines of authority that, by their seeming fuzziness, are quite unfamiliar to most of us, and that will be the biggest

***We're anxious to create a more vigorous entrepreneurial spirit.***

test—to see how we handle the new reporting structure.

As the evolution of our new organization proceeds, Corporate Components will shift functional responsibility for certain activities to the group and division level. Each of the divisions will eventually become fully integrated operations, while continuing to look to the Corporate Components organization for direction as well as support.

**How will the restructuring of the Mining and Australasia Divisions into two major groups make for a stronger organization?**

To begin with, the new organization

features a more evenly distributed workload for all of the managers, and I think they'll find the change will make it easier for them to do their jobs. The group managers will have more time for planning, because they'll have fewer day-to-day operational decisions to make. Each division will have all of the tools necessary to function as its own profit-and-loss unit.

**With the relocation of Utah Development Company's headquarters from Sydney to Brisbane, Australia, how will operations be affected? And what will the Sydney office be involved in doing?**

Operations will be affected only in a positive way by the relocation of UDC's headquarters to Brisbane. All of the operational authority for running UDC will be Jim Curry's, so it only makes sense for him to work right in Brisbane, since all of our Australian coking-coal operations are located in Queensland.

From his Sydney base, Ralph Long will be responsible for Utah's Eastern Hemisphere Operations, with particular emphasis on directing significant new investment plans in Indonesia. He'll also be responsible for monitoring Utah's 89.2 percent investment in UDC.

**What is the next benchmark in the timetable for implementation of the reorganization plan?**

The first major benchmark is to get all the division and group managers with new responsibilities in place. That will happen for the most part between May and September, and once those moves have been accomplished, each of these managers will have a lot to say about what happens next in terms of the evolution of his own organization. I'm counting on them for a lot of the input that will go into the next phase of the plan—developing the organizational structures within their responsibility.

**What other major changes are taking place at Utah?**

It's important to remember that our business is one of asset management—we're not just in the coal business or the tungsten business or any other single resource business. We have to look at each of our products and operations with an eye toward enhancing the return on our investment, and we

have an obligation to maximize that return. When we have operations that aren't consistent with our objectives, we have to consider alternatives.

The recent sale of Pathfinder is just such an example. (See page 6 for details of this sale.) It's hardly a secret that the U.S. nuclear power program is in absolute disarray, and there is little hope for significant new domestic demand for nuclear fuel for a long time. The French have an extremely

***We must continue to be the number one profit-making concern in the mining business.***

active nuclear program—with 30 plants producing nearly 10 million megawatt hours of nuclear power monthly—for the simple reason that they have little in the way of alternative resources. So from an economic and practical standpoint, the sale will be advantageous to both Utah and Cogema and, I'm confident, to the Pathfinder organization.

**How does the restructuring process change your job as chief executive officer of Utah International Inc.?**


I believe it will make for a more effective leadership base for me. Like our new group and division managers, I'll have more time to devote to planning where our business will be going for the next 10 or 20 years. In the previous organization, I had 10 individuals reporting directly to me . . . I now have seven direct-reporting relationships, which is a much more workable structure. Also, if the reorganization works like I expect it will, I will be relieved of one of my greatest concerns, and that is to assure we're preparing our people to do the things we need to do to provide for the growth of this company in the years ahead.

**What are the greatest challenges in getting to where Utah wants to be in 1990? What can individual employees and managers do to**

**enhance that future growth? And how would you like Utah's people to view these organizational changes?**

The very greatest strength and challenge we have is people. As I said before, my concern about the development of our people was the real starting point in determining that we needed to reorganize in the first place. We need to be certain that we have the system in place that gives our people—throughout the organization—the diverse experience and the chance to prove themselves capable of running larger and larger pieces of this company. I liken the opportunities being created to those enjoyed by our present senior officers when many of us joined the company in the 1950s.

The mission of Utah International is to develop the mineral resources that we control into viable, profit-making enterprises. We must continue to be the number-one, profit-making concern in the mining business. We have a strong base—with a good record and good people—and the job now is to make the most out of the advantages we have already.

I believe that people will view the changes in a positive way as we go through the current transition in our reorganization process—chiefly because, as the company grows even stronger, career paths will also broaden for everyone. Each and every employee has a stake in Utah's success. 





# Broken Hill offers \$2.4 billion for Utah

**U**tah International Inc. will become a subsidiary of Broken Hill Proprietary Company Limited (BHP) of Melbourne, Australia, if the Memorandum of Intention announced January 27 between Utah's parent firm, General Electric Company, and BHP reaches fruition. The proposed sale of

UII and Utah-Marcona Corporation is expected to take up to nine months to be completed, with GE receiving approximately \$2.4 billion in cash.

According to the announcement, which was distributed to all employees late in the afternoon of January 27, the Australian-owned and based natural

resources company plans to form a consortium to participate in ownership of Utah Development Company's Australian coking-coal operations included in the acquisition.

Under the proposed terms of sale, GE would retain Ladd Petroleum Corporation, Utah's wholly owned oil and natural gas subsidiary, as well as Utah's remaining 20-percent financial interests in the Pathfinder uranium mines in Wyoming, the Trapper coal mine in Colorado, and certain land development properties in the U.S., including the San Francisco office building. Completion of the transaction is subject to negotiation of a definitive agreement, approvals by GE and BHP Boards of Directors, completion of consortium and financing arrangements by BHP, and required government approvals.

According to GE's press release, the sale of Utah would enable the company to focus its resources on the high-technology products and high-growth services segments of industry. GE acquired Utah in 1976, including Ladd and the other company assets not being sold, for common stock valued at about \$2.17 billion, then said to be the largest corporate merger in U.S. history.

In 1985, BHP will celebrate its 100th anniversary. Incorporated in the State of Victoria, Australia, on August 13, 1885, BHP initially set out to develop the rich silver, lead and zinc deposits that had been discovered at Broken Hill in New South Wales. The company discovered high-grade iron ore deposits in South Australia in 1897, began making iron in 1915, and developed into a fully integrated steel company in 1939. BHP began exploration for oil and gas offshore Australia in the early 1960s and discovered commercial quantities of natural gas in 1965 and crude oil in the Bass Strait in 1967. In December 1979, BHP acquired the remaining 50-percent interest in John Lysaght (Australia) Ltd., the division that manufactures and distributes steel products, for A\$87.5 million.

Often referred to in the American press as "the General Motors of Australia," a reference to the fact that BHP is that country's largest industrial company, its operations include mining, minerals processing, steelmaking, oil and natural gas production, and diverse manufacturing activities.

## EDITORIAL

### *The challenge now: some shoes to fill*

**T**hat the economy and the mining industry are facing rough times is no secret to Utah International employees alone. Dramatic change is afoot throughout the industry, and the need to respond positively to new demands in our corporate and operational worlds is the order of the day.

Utah Chairman A. M. Wilson summarized his own feelings about the company's needed response to the difficult economic climate in a recent memo to employees. "It is regrettable that corporate antidotes for recessions can have painful side effects," he said. "Management is sensitive to this problem in all of its deliberations on how to respond to the current business downturn but, as a practical matter, difficult decisions on employment have become unavoidable."

Utah's first plan of action, announced in late December, was to offer an early-retirement incentive package to eligible U.S.-based employees, 41 of whom decided to take advantage of the special program (see page 3). The second action included a reduction in force of 34 San Francisco employees, effective February 28.

While necessary, these reductions take their toll both on the employees who are affected directly and those who feel their loss. It's not much fun. But decisions had to be made.

There is good news as well. In another recent memo to employees, Bud Wilson affirmed that Utah's proposed new parent company, Broken Hill Proprietary Company Limited, has given assurance to management that if the Australian company completes its purchase of

Utah from General Electric Company, Utah will continue to be headquartered in San Francisco. Utah also will continue to operate as a separate entity—as it has with its GE parent since the merger in 1976. Utah also would continue to administer its own compensation and benefit plans, and of obvious primary importance, it will continue to be well-positioned to pursue its business opportunities.

Our early retirees and departing employees took with them some valuable expertise, and they will be missed for that reason and because of who they are. Many of them also have left a legacy, and if we are to meet and foster the many future opportunities at Utah, there is a challenge ahead of us in filling their shoes.

As Frank Nafziger said at the recent luncheon honoring San Francisco-area early retirees: "I think I speak for all of the retirees when I say that our association with Utah has been mutually satisfying . . . we enjoyed helping Utah go from the junior leagues to the big leagues."

The challenge now is to do our very best to stay there and continue to excel.—Editor

*Editor's note: All Utah employees are invited to respond to editorial material in Utah Report and to offer your thoughts for publication on any issue that affects us as employees. We will withhold names upon request, but reserve the right to determine which submissions are appropriate for publication.*



# UtahReport

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**UTAH**  
International

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## Merger to create one of world's largest minerals businesses



Bud Wilson (left) and Jim Curry. — photo by Lauren Brill

**T**he merger of Utah International Inc. and BHP Minerals will create one of the world's largest minerals businesses, with major mining and mineral refining activities in 27 locations around the globe.

Principal mineral interests are coking coal, steam coal, iron ore, copper, gold, manganese ore, and alumina.

The combined businesses will constitute one of the top three or four

worldwide mining concerns in terms of sales and profits. This past fiscal year, from sales of A\$2.71 billion, earnings for the two groups totaled A\$335 million. Using an exchange rate of A\$ .70 to one U.S. dollar, this translates into approximately US\$1.9 billion in sales and US\$235 million in earnings.

Employees number approximately 12,000.

The new organization, outlined at

employee meetings March 13 and 16, will be known as BHP-Utah Minerals International.

The effective merger date of June 1 coincides with the retirement of Alexander M. Wilson, chairman and chief executive officer of Utah and an executive director of the BHP board. Wilson joined Utah 33 years ago in 1954.

Utah Executive Vice President James T. Curry will head the new organization with the title, executive general manager and chief executive officer. In the U.S., Curry will carry the title, chairman and chief executive officer. Curry will direct BHP-Utah Minerals International from offices in Melbourne and San Francisco.

As part of the reorganization, Utah affiliate BHP Petroleum (Americas) Inc. becomes a subsidiary of BHP Petroleum International, headquartered in Melbourne. Richard W. Volk, BHP P(A) chairman and chief executive officer, will report to Peter J. Willcox, BHP Petroleum International chief executive officer.

Also as part of the reorganization, the managements of Utah International affiliate Utah Development Company Limited and BHP Minerals subsidiary Dampier Coal (Qld) Pty. Ltd. will be brought together into one structure.

Similarly, minerals marketing and sales offices in locations throughout the world will be consolidated to form one of the most effective international minerals marketing teams.

The new organization will comprise four divisions: *Asia/Pacific Minerals*, to be headed by Rodney J. Harden, presently BHP Minerals general manager (Harden will also join the BHP-Utah Minerals Interna-

(continued)

## Bud Wilson to retire as Utah chairman

Utah Chairman Alexander M. Wilson will retire June 1, after 33 years with the company.

Bud Wilson was elected Utah International's chief executive officer in 1978 and chairman of the board in 1979. He was named a member of BHP's board of directors in 1984, shortly after BHP acquired Utah.

A third-generation Californian, Wilson was born May 17, 1922 in Tulare, California. He attended the University of California at Berkeley until his junior year, when he volunteered for the Army in 1942. After five years, including nine months' duty in China, he returned to Berkeley and completed his bachelor's degree in metallurgical engineering.

He worked for Bradley Mining Company and then Molybdenum Corporation of America before joining Utah Construction Company (later to become Utah International Inc.) in 1954 as a metallurgical engineer. One of his initial assignments was at Argonaut Mine, an iron ore operation in Campbell River, British Columbia — one of only two company mining operations at the time.

Wilson played an important role in many of Utah's early ventures, including the development and operation of uranium mines in the Gas Hills of Wyoming, the Navajo steam coal mine in New Mexico, and Utah Development Company Limited's coking coal operations in Queensland.

The chairman's management style is to delegate broadly and give officers plenty of autonomy. He listens to all sides of an issue before making a decision, and thinks largely in terms of growth opportunities. Adds one senior manager, "Bud has a stick-to-itiveness that makes projects succeed when most people wouldn't have tried."

Active in business and civic affairs, Wilson serves on the boards of Fireman's Fund Insurance Company and Kaiser Aluminum and Chemical Corporation. He is a director of the American Mining Congress and the Bay Area Council. He is a member of The Conference Board, the SRI International Advisory Board, the Mining and Metallurgical Society of America, and the Society of Mining Engineers of the American Institute of Mining,

Metallurgical and Petroleum Engineers. Wilson also serves on the advisory board of the College of Engineering of the University of California, Berkeley, and is a director of the Smith-Kettlewell Eye Research Foundation.

He is a devoted family man. Wilson and his wife Beverlee have three grown daughters, a granddaughter and a grandson.

The chairman is an avid outdoorsman whose favorite sports are hunting and fishing. Known as a crack shot, he frequently travels to exotic hunting locations and returns with big-game trophies. In northern California's San Joaquin Valley, Wilson develops apple orchards and owns vineyards that produce both wine and raisin grapes. When he has the time, he also grows orchids at his home in Los Altos, California.

With his retirement, Wilson will continue to serve on several boards and plans to spend more time at his ranch. A hard worker who cares about the people who work for Utah, he has left a legacy of prudent asset management that positions the company for future growth.

## Jim Curry to head BHP-Utah Minerals International

James T. Curry, newly named executive general manager and chief executive officer of BHP-Utah Minerals International (effective June 1), received a bachelor's degree in civil engineering from the University of California and a master's degree in business administration from Stanford University. In between, he spent

two years as an officer in the U.S. Army Corps of Engineers.

Curry joined Utah International in 1962 as administrative assistant to the president, and from 1965 to 1970 held administrative positions at the company's coal-mining operations in New Mexico and Queensland.

Upon his return to San Francisco in 1970, Curry was named treasurer. He was elected vice president in 1972, financial vice president in 1975, and director in 1976. In 1982,

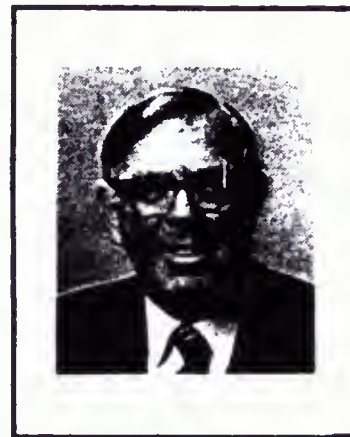
he was appointed president and managing director of Utah Development Company Limited in Australia.

In January 1985, Curry assumed his present post as executive vice president, Corporate Office, in San Francisco, with responsibilities for Finance, Legal, Business Development, Strategic Planning, Corporate Marketing, Marine Transportation, Personnel and Corporate Affairs.





WILSON, ALEXANDER M.



Office: Chairman  
& Chief Executive Officer  
Utah International Inc.  
550 California St.  
San Francisco, CA 94104  
(415-981-1515)

Born: May 17, 1922, Tulare, CA

1948 BS Metallurgical Engineer, University of CA

1954-date Utah International Inc., Chairman, Chief Executive Officer, Director

1951-1954 Molybdenum Corp. of American, Mill Superintendent

1948-1951 Bradley Mining Co., Mining Engineer, Superintendent, Asst. Manager-Mining

1942-1946 US Army

Member: AMC, Director; Bay Area Council, Director; The Conference Board; Pacific Basin Economic Council, Chairman-US National Comm.; San Francisco Zoological Society, Trustee; Smith-Kettlewell Eye Research Foundation, President, Board of Directors; SME of AIME; Bankers Club; The Pacific Union Club; The Pauma Valley Country Club; Olympic Club

Director: Fireman's Fund Ins. Co.; First Security Corp.; Pathfinder Mine Corp.; Utah Dev. Co., Chm.

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Eleanor Herz Swent

Born in Lead, South Dakota, where her father became chief metallurgist for the Homestake Mining Company. Her mother was a high school geology teacher before marriage.

Attended schools in Lead, South Dakota, Dana Hall School, and Wellesley College, Massachusetts. Phi Beta Kappa. M.A. in English, University of Denver. Assistant to the President, Elmira College, New York. Married to Langan Waterman Swent, mining engineer.

Since marriage has lived in Tayoltita, Durango, Mexico; Lead, South Dakota; Grants, New Mexico; Piedmont, California.

Teacher of English as a Second Language to adults in the Oakland, California public schools. Author of an independent oral history project, Newcomers to the East Bay, interviews with Asian refugees and immigrants. Oral historian for the Oakland Neighborhood History Project.

Interviewer, Regional Oral History Office since 1985, specializing in mining history. In 1998, awarded LL.D. by South Dakota School of Mines and Technology.













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